Appendix - I

Please scan this QR Code to view the Letter of Offer

Letter of Offer
Dated July 23, 2024
For Eligible Equity Shareholders only

TATA CONSUMER PRODUCTS LIMITED

Our Company was originally incorporated as 'Tata Finlay Private Limited' on October 18, 1962, as a company limited by shares under the Companies Act, 1956 pursuant to a certificate of incorporation dated October 18, 1962 issued by the registrar of companies, Maharashtra at Bombay. Further, our company was converted into a deemed public limited company with effect from July 9, 1963. Subsequently, the name of our Company was changed to 'Tata Tea Limited' and a fresh certificate of incorporation consequent on change of name dated February 28, 1983 under the Companies Act, 1956 was issued by the Assistant Registrar of Companies, West Bengal at Calcutta. Thereafter, the name of our Company was changed to 'Tata Global Beverages Limited' and a fresh certificate of incorporation consequent upon change of name dated July 2, 2010 under the Companies Act, 1956 was issued by the deputy registrar of companies, West Bengal at Kolkata. Further, the name of our Company was changed to 'Tata Consumer Products Limited' and a fresh certificate of incorporation consequent upon change of name dated February 10, 2020 under the Companies (Incorporation) Rules, 2014 was issued by the Registrar of Companies, West Bengal at Kolkata ("**RoC**"). For details in relation to the change in name of our Company and the address of our registered office, see "*General Information*" beginning on page 46.

Registered Office: 1, Bishop Lefroy Road, Kolkata 700 020, West Bengal, India
Corporate Office: 11/13, Botawala building, 1st floor, Office #2-6 Horniman Circle Fort, Mumbai 400 001, Maharashtra, India
Tel: +91 22 6121 8400; **Contact Person**: Sivakumar Sivasankaran, Chief Financial Officer
E-mail: investor.relations@tataconsumer.com; **Website**: www.tataconsumer.com
Corporate Identity Number: L15491WB1962PLC031425

PROMOTER OF OUR COMPANY: TATA SONS PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF TATA CONSUMER PRODUCTS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO 3,66,47,492* FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹818.00 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹817.00 PER RIGHTS EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹2,997.77 CRORE* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 26 (TWENTY-SIX) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON JULY 27, 2024 ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 872.

**Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.*

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the section "*Risk Factors*" beginning on page 16.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**") and The Calcutta Stock Exchange Limited ("**CSE**", and together with BSE and NSE, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from NSE, BSE and CSE for listing the Rights Equity Shares through their letters dated July 12, 2024, July 12, 2024 and July 15, 2024, respectively. Our Company will also make applications to NSE, BSE and CSE to obtain trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of the Issue, the Designated Stock Exchange is NSE.

LEAD MANAGERS TO THE ISSUE			REGISTRAR TO THE ISSUE
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. C – 27 G Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel**: +91 22 4336 0000 **E-mail**: TCPL.rights@kotak.com **Website**: https://investmentbank.kotak.com **Investor grievance ID**: kmccredressal@kotak.com **Contact person**: Ganesh Rane **SEBI Registration No.**: INM000008704	**Axis Capital Limited** 1st floor, Axis House C-2, Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India **Tel**: +91 22 4325 2183 **E-mail**: tataconsumer.rights@axiscap.in **Website**: www.axiscapital.co.in **Investor grievance ID**: complaints@axiscap.in **Contact person**: Pratik Pednekar **SEBI Registration No.**: INM000012029	**HSBC Securities and Capital Markets India Private Limited** 52/60, Mahatma Gandhi Road Fort, Mumbai 400 001 Maharashtra, India **Tel**: +91 22 6864 1289 **E-mail**: tcplrights@hsbc.co.in **Website**: https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market **Investor grievance ID**: investorgrievance@hsbc.co.in **Contact person**: Rishi Tiwari, Sumant Sharma **SEBI Registration No.**: INM000010353	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli West Mumbai 400 083 Maharashtra, India **Tel**: +91 81081 14949 **E-mail**: tcpl.rights2024@linkintime.co.in **Website**: www.linkintime.co.in **Investor grievance ID**: tcpl.rights2024@linkintime.co.in **Contact person**: Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
MONDAY, AUGUST 5, 2024	MONDAY, AUGUST 12, 2024	MONDAY, AUGUST 19, 2024

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or the Capital Raising Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rule, guideline, clarification or policy shall be to such legislation, act, regulation, rule, guideline or policy as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive. However, terms used in the sections entitled "Summary of this Letter of Offer", "Risk Factors", "Financial Statements", "Our Business", "Statement of Special Tax Benefits", "Outstanding Litigations and Defaults", "Terms of the Issue" on pages 43, 16, 111, 95, 61, 857 and 872 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer" or "TCPL"	Tata Consumer Products Limited, a public limited company, incorporated under the Companies Act, 1956, and having its registered office at 1, Bishop Lefroy Road, Kolkata 700 020, West Bengal, India
"We", "Our", "Us" or "our Group"	Unless the context otherwise indicates or implies or unless otherwise specified, refers to our Company along with our Subsidiaries, Joint Ventures and Associates, as applicable, on a consolidated basis

Company Related Terms

Term	Description
Acquired Companies	Capital Foods Private Limited and Organic India Private Limited
"Articles of Association" or "Articles"	Articles of association of our Company, as amended from time to time
Associates	Associates of our Company, being: 1. Amalgamated Plantations Private Limited; and 2. Kanan Devan Hills Plantations Company Private Limited.
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its subsidiaries which includes net share in loss in its Associates and Joint Ventures, as at and for the year ended March 31, 2024, which comprises the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory information prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act
Audited Financial Statements of the Acquired Companies	Collectively, Capital Foods Private Limited Audited Financial Statements and Organic India Private Limited Audited Consolidated Financial Statements
Audit Committee	Audit committee of our Board
"Auditors" or "Statutory Auditors"	The statutory auditors of our Company, being Deloitte Haskins & Sells LLP
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company. For details, see "*Our Management – Board of Directors*" on page 106
Capital Foods Private Limited Audited Financial Statements	The audited financial information of Capital Foods Private Limited including all notes and audit reports for Fiscals 2024, 2023, 2022, 2021 and 2020 comprising of (i) the balance sheet for Fiscals 2024, 2023, 2022, 2021 and 2020; (ii) the statement of profit and loss (including other comprehensive income) for Fiscals 2024, 2023, 2022, 2021 and 2020; (iii) the statement of cash flows and statement of changes in equity for Fiscals 2024, 2023, 2022, 2021 and 2020; and (iv) the summary of significant/material accounting policies and other explanatory information for Fiscals 2024, 2023, 2022, 2021 and 2020 prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act and included in "*Financial Statements*" on page 111
Capital Raising Committee	The capital raising committee, being the sub-committee of our Board of Directors, consisting of K P Krishnan, Sunil D'Souza and Ajit Krishnakumar
Chairman	The chairman of the Board of our Company, Chandrasekaran Natarajan. For details, see "*Our Management - Board of Directors*" on page 106
"Chief Executive Officer" or "CEO" or "Managing Director" or "MD"	The chief executive officer and managing director of our Company, Sunil D'Souza. For details, see "*Our Management - Board of Directors*" on page 106

Term	Description
"Chief Financial Officer" or "CFO"	The chief financial officer of our Company, Sivakumar Sivasankaran. For details, see "*Our Management – Details of Key Managerial Personnel and Senior Management*" on page 109
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, Delnaz Harda. For details, see "*Our Management – Details of Key Managerial Personnel and Senior Management*" on page 109
Corporate Office	The corporate office of our Company located 11/13, Botawala building, 1st floor, Office #2-6 Horniman Circle Fort, Mumbai 400 001, Maharashtra, India
Directors	The directors on our Board, as may be appointed from time to time. For details, see "*Our Management – Board of Directors*" on page 106
Equity Shares	Equity shares of face value of ₹1 each of our Company
Executive Director(s)	The executive Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Executive Directors, see "*Our Management – Board of Directors*" on page 106
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations.
Independent Director(s)	The non-executive, independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Independent Directors, see "*Our Management – Board of Directors*" on page 106
Independent Chartered Accountant	Murali and Sumeet, Chartered Accountants
Independent Chartered Engineer	Kanti Karamsey & Co. Advisors LLP
"Joint Ventures" or "JVs"	Joint ventures of our Company, being: 1. Tata Starbucks Private Limited; and 2. Tetley Clover (Private) Limited* ** Tetley Clover (Private) Limited is currently undergoing liquidation and the liquidator was appointed on May 13, 2019*.
Key Managerial Personnel	Key managerial personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in "*Our Management – Details of Key Managerial Personnel and Senior Management*" on page 109
Material Subsidiaries	Subsidiaries whose income or net worth exceeds 10% of the consolidated income or net worth of our Company in the immediately preceding accounting year, i.e., Financial Year 2024, being: Tata Consumer Products UK Group Limited and Tata Consumer Products GB Limited
Materiality Threshold	An amount equivalent to or in excess of 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company, which is determined to be ₹59.18 crore, adopted by the Capital Raising Committee through its resolution dated July 1, 2024, in conformity with the 'Policy for Determination of Materiality of Disclosures' framed in accordance with Regulation 30 of the SEBI LODR Regulations and adopted by our Board and above which all outstanding civil and tax proceedings involving our Company and our Subsidiaries and all outstanding proceedings in relation to violation of statutory regulations by our Company and our Subsidiaries have been disclosed in the section "*Outstanding Litigation and Defaults*" beginning on page 857
"Memorandum of Association" or "Memorandum"	Memorandum of association of our Company, as amended from time to time
"Nomination and Remuneration Committee"	Nomination and remuneration committee of our Board of Directors
Non-Executive Director(s)	The non-executive Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Non-Executive Directors, see "*Our Management – Board of Directors*" on page 106
Organic India Private Limited Audited Consolidated Financial Statements	The audited consolidated financial information of Organic India Private Limited including all notes and audit reports for Fiscals 2024, 2023, 2022, 2021 and 2020 comprising of (i) the consolidated balance sheet for Fiscals 2024, 2023, 2022, 2021 and 2020; (ii) the consolidated statement of profit and loss (including other comprehensive income) for Fiscals 2024, 2023, 2022, 2021 and 2020; (iii) the consolidated statement of cash flows and consolidated statement of changes in equity for Fiscals 2024, 2023, 2022, 2021 and 2020; and (iv) the summary of significant/material accounting policies and other explanatory information for Fiscals 2024, 2023, 2022, 2021 and 2020 prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act and included in "*Financial Statements*" on page 111
Promoter	The promoter of our Company being, Tata Sons Private Limited
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at 1, Bishop Lefroy Road, Kolkata 700 020, West Bengal, India
Senior Management	Senior management personnel of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in "*Our Management – Details of Key Managerial Personnel and Senior Management*" on page 109
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board of Directors
Subsidiaries	Subsidiaries of our Company, being:

Term	Description
	1. Capital Foods Private Limited; 2. Consolidated Coffee Inc.; 3. NourishCo Beverages Limited*; 4. Organic India Private Limited; 5. Tata Coffee Limited (*erstwhile TCPL Beverages & Foods Limited*); 6. Tata Coffee Vietnam Company Limited; 7. Tata Consumer Products Capital Limited; 8. Tata Consumer Products UK Group Limited; 9. Tata Consumer Soulfull Private Limited*; 10. Tata SmartFoodz Limited*; 11. Tata Tea Extractions Inc.; 12. Tata Tea Holdings Private Limited; and 13. TRIL Constructions Limited. The step-down subsidiaries of our Company, being: 1. Drassington Limited; 2. Joekels Tea Packers (Proprietary) Limited; 3. Lyons Tetley Limited; 4. Onomento Co. Limited; 5. Organic India USA, LLC 6. Tata Consumer Products Australia Pty Limited; 7. Tata Consumer Products Canada Inc.; 8. Tata Consumer Products GB Limited; 9. Tata Consumer Products Overseas Holdings Limited; 10. Tata Consumer Products Polska sp.zo.o; 11. Tata Consumer Products US Holdings Inc.; 12. Tata Consumer Products US Inc. (*erstwhile Tetley US Inc.*); 13. Tata Global Beverages Holdings Limited; 14. Tata Global Beverages Investments Limited; 15. Tata Global Beverages Overseas Limited; 16. Tata Global Beverages Services Limited; 17. Teapigs Limited; 18. Teapigs US LLC; 19. Tata Consumer Products Bangladesh Limited (e*rstwhile Tetley ACI (Bangladesh) Limited*); 20. Stansand (Africa) Limited; 21. Stansand (Brokers) Limited; 22. Stansand (Central Africa) Limited; 23. Stansand Limited; and 24. Suntyco Holding Limited. **The Hon'ble National Company Law Tribunal, Kolkata Bench, by its order dated July 18, 2024, sanctioned the scheme of amalgamation of our wholly owned subsidiaries, NourishCo Beverages Limited, Tata SmartFoodz Limited and Tata Consumer Soulfull Private Limited with our Company. The scheme of amalgamation shall become effective on the effective date, being the date on which the certified copies of the order dated July 18, 2024 are filed with the respective registrar of companies and all conditions for bringing the scheme of amalgamation into effect are fulfilled.* *Notes:* *1. With effect from January 1, 2024, we have demerged the plantation business of, erstwhile Tata Coffee Limited into our wholly owned subsidiary, Tata Coffee Limited (formerly known as TCPL Beverages and Foods Limited, followed by merger of erstwhile Tata Coffee Limited (comprising its remaining business of coffee extraction) into our Company pursuant to a scheme of arrangement.* *2. With effect from July 1, 2024, our erstwhile step-down subsidiaries (i) Eight O'Clock Holdings, Inc.; (ii) Eight O'Clock Coffee Company; (iii) Good Earth Corporation; (iv) Good Earth Teas, Inc.; and (v) Tata Waters LLC have merged into Tata Consumer Products US, Inc. (erstwhile Tetley US Inc.).*
TCPL SLTI Scheme 2021	Tata Consumer Products Limited – Share-based Long-Term Incentive Scheme 2021. For details, see "*Capital Structure*" beginning on page 52
TCPL SLTI Scheme 2024	Tata Consumer Products Limited – Share-based Long-Term Incentive Scheme 2024. For details, see "*Capital Structure*" beginning on page 52
TCPL SLTI Schemes	Collectively, TCPL SLTI Scheme 2021 and TCPL SLTI Scheme 2024
Whole-time Directors	The whole-time directors of our Company. For details, please see "*Our Management – Board of Directors*" on page 106

Issue Related Terms

Term	Description
"Abridged Letter of Offer" or "ALOF"	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied for or allotted under this Issue in addition to the Rights Entitlement
"Allotment" or "Allot" or "Allotted"	Allotment of Rights Equity Shares pursuant to the Issue

Term	Description
Allotment Account(s)	The account(s) opened with the Banker(s) to the Issue, into which the Application Money, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
"Applicant(s)" or "Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through submission of the Application Form or plain paper application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Axis	Axis Capital Limited
Banker to the Issue	Axis Bank Limited
Banker to the Issue Agreement	Agreement dated July 22, 2024, entered into by and among our Company, the Registrar to the Issue, the Lead Managers and the Banker to the Issue for among other things, collection of the Application Money from Applicants/Investors and transfer of funds to the Allotment Account, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in "*Terms of the Issue*" beginning on page 872
CRISIL MI&A	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited
CRISIL Report	Report titled "*Industry report on global consumer food & beverages market with a focus on India*" released in Mumbai in June 2024 by CRISIL MI&A, and which was commissioned by our Company
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs which coordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI's website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	NSE
Eligible Equity Shareholder(s)	Equity Shareholders as on the Record Date. Please note that only those Equity Shareholders who have provided an Indian address to our Company are eligible to participate in the Issue. For further details, see "*Notice to Investors*" and "*Restrictions on Purchases and Resales*" beginning on pages 9 and 897, respectively
"Equity Shareholder(s)" or "Shareholders"	Holder(s) of the Equity Shares of our Company
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations
GDR(s)	Global depository receipts issued by way of the deposit agreements dated March 10, 2000, as supplemented and amended on March 15, 2004, and May 16, 2014.
Gross Proceeds	The gross proceeds raised through the Issue
HSBC	HSBC Securities and Capital Markets India Private Limited

Term	Description
Issue	This issue of up to 3,66,47,492* Rights Equity Shares for cash at a price of ₹818.00 per Rights Equity Share (including a premium of ₹817.00 per Rights Equity Share) aggregating up to ₹2,997.77* crore on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Share for every 26 (Twenty-six) Equity Shares held by the Eligible Equity Shareholders on the Record Date **Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.*
Issue Agreement	Issue agreement dated July 23, 2024, between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	Monday, August 19, 2024
Issue Materials	Collectively, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	Monday, August 5, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹818.00 per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to 3,66,47,492 Rights Equity Shares aggregating up to ₹2,997.77* crore **Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.*
Kotak	Kotak Mahindra Capital Company Limited
Lead Managers	Collectively, Kotak, HSBC and Axis
"Letter of Offer" or "LOF"	This letter of offer dated July 23, 2024, filed with the Stock Exchanges and SEBI
Listing Agreements	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated July 19, 2024, between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds
Multiple Application Forms	More than one application form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less the estimated Issue related expenses. For further details, see "*Objects of the Issue*" beginning on page 55
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring its Rights Entitlements through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading its Rights Entitlements over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before Monday, August 12, 2024
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders who would be eligible to apply for the Rights Equity Shares in the Issue subject to terms and conditions set out in the Issue Materials, to be decided prior to the filing of this Letter of Offer, being July 27, 2024
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being Axis Bank Limited
Registrar Agreement	Agreement dated July 19, 2024, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
"Registrar to the Issue" or "Registrar" or "Share Transfer Agent"	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI ICDR Master Circular
Renunciation Period	The period during which the Eligible Equity Shareholders can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Monday, August 12, 2024, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 1 (One) Rights Equity Share for every 26 (Twenty-six) Equity Shares held by an Eligible Equity Shareholder on the Record Date

Term	Description
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The details of Rights Entitlements are also accessible on the website of our Company
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on a fully paid-up basis on Allotment
Rights Equity Shareholders	Holder of the Rights Equity Shares pursuant to this Issue
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or such other website as updated from time to time
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed *i.e.* BSE, NSE and CSE
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Days	All days on which commercial banks in Mumbai are open for business. Further, in respect of the Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, in respect of the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupee
Aadhaar	Aadhaar card
AGM	Annual general meeting of the Shareholders of our Company.
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Arbitration Act	Arbitration and Conciliation Act, 1996
"Ind AS" or "Accounting Standards"	Accounting standards issued by the ICAI
Basic EPS	Net Profit for the year attributable to owners of the Company/ weighted average number of Equity Shares outstanding during the year
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year	Calendar year ending December 31
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Central Government	Central Government of India
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013 along with the relevant rules made thereunder
Cost of Goods Sold	Cost of materials consumed, purchase of stock in trade and change in inventories of finished goods/ work-in-progress/ stock in trade (excluding direct overheads and wages)
CSE	The Calcutta Stock Exchange Limited
CrPC	Code of Criminal Procedure, 1973
CSR	Corporate social responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Diluted EPS	Net Profit for the year attributable to owners of the Company/weighted average number of Equity Shares outstanding during the year as adjusted for effective of dilutive equity shares
DIN	Director identification number
"DP" or "Depository Participant"	Depository participant as defined under the Depositories Act
DP ID	Depository participant's identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion)
EBIT	Earnings before interest and taxes
EBITDA	EBITDA is calculated as profit before exceptional items and tax plus finance costs, depreciation and amortization expenses, excluding other income (other than other non-operating income)
EGM	Extraordinary general meeting
EPS	Earnings per share
ESG	Environmental, social and governance

Term/Abbreviation	Description/ Full Form
EUR	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal Year" or "Fiscal" or "FY"	Period of 12 months ending March 31 of that particular year
FDI Policy	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020
FEMA ODI Regulations	Foreign Exchange Management (Overseas Investment) Regulations, 2022
FEMA ODI Rules	Foreign Exchange Management (Overseas Investment) Rules, 2022
FIR	First information report
FPI	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles in India
GBP	Great Britain Pound
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
GST	Goods and services tax
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
India	Republic of India
Income-Tax Act	Income-tax Act, 1961
IPC	Indian Penal Code, 1860
ISIN	International securities identification number
IST	Indian standard time
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
"Mn" or "mn"	Million
MSME	Micro, Small and Medium Enterprise
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NEFT	National electronic fund transfer
Net Worth	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth for our Company is paid up share capital and all reserves excluding capital reserve, amalgamation reserve, revaluation reserve and other comprehensive income
Net Asset Value per Equity Share	Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year
Non-GAAP Financial Measure	A financial measure not presented in accordance with generally accepted accounting principles
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE	Non-resident external
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non-resident ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCBs" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
OCI	Overseas citizen of India
P/E Ratio	Price to earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act

Term/Abbreviation	Description/ Full Form
"Return on Net Worth" or "RoNW"	Net Profit for the year attributable to owners of the Company/Net Worth
RoC	Registrar of Companies, West Bengal at Kolkata
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI ICDR Master Circular	The SEBI master circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023
SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
STT	Securities transaction tax
State Government	Government of a state of India
UPI	Unified Payment Interface
USD	United States Dollar
"U.S." or "USA" or "United States"	United States of America, its territories or possessions, any state of the United States, and the District of Columbia
US GAAP	Generally accepted accounting principles in the U.S.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Industry Related Terms

Term/Abbreviation	Description/ Full Form
AI	Artificial Intelligence
B2B	Business to business
Capital Foods	Capital Foods Private Limited
CGU	Cash generating units
ERP	Enterprise resource planning
F&B	Food and beverages
FMCG	Fast-moving consumer goods
FSSA	Food Safety and Standards Act, 2006
LTSA	Long term supply agreement
Net Zero	The balance between the amount of greenhouse gas that's produced and the amount that's removed from the atmosphere
Organic India	Organic India Private Limited
ORP	Organized retail penetration
R&D	Research and development
RTC	Ready to cook
RTD	Ready to drink
RTE	Ready to eat
SAP	SAP software
SKU	Stock keeping unit

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material (collectively, the "**Issue Materials**") and issue of Rights Entitlement as well as Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form may come or who receive Rights Entitlement and propose to renounce or apply for Rights Equity Shares in the Issue are required to inform themselves about and observe such restrictions. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 897.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 897.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Managers and the Stock Exchanges.

Our Company, the Lead Managers, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders available with the Registrar in their records.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser or seller of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the "*Restrictions on Purchases and Resales*" section beginning on page 897.

Our Company, in consultation with the Lead Managers and Registrar, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers or their affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. federal or state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

NOTICE TO GDR HOLDERS

The Company had a GDR program wherein Deutsche Bank Trust Company Americas ("**Deutsche Depository**") was appointed as the exclusive depository for this program and each of the GDRs represent one underlying equity share of face value of ₹1 each of the Company. These GDRs were listed on the London Stock Exchange and Luxembourg Stock Exchange.

As on date of this Letter of Offer the GDR program has been terminated with effect from June 23, 2023 pursuant to the termination notice received from the Deutsche Depository. Accordingly, the GDRs are delisted from the Luxembourg Stock Exchange and the London Stock Exchange with effect from June 24, 2023 and July 26, 2023, respectively.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Letter of Offer are to a Calendar Year. Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer. In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise, or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Audited Consolidated Financial Statements. The Audited Consolidated Financial Statements was audited by our Statutory Auditors.

Further, certain financial information pertaining to our Acquired Companies is derived from the Audited Financial Statements of the Acquired Companies. Our Company's Financial Year commences on April 1 of each Calendar Year and ends on March 31 of the following Calendar Year. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31 of that year. For details of the financial statements, see "*Financial Statements*" beginning on page 111.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees, in crore.

Non-GAAP Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively "**Non-GAAP Financial Measures**", and each, a "**Non-GAAP Financial Measure**") in this Letter of Offer, which are EBITDA, EBITDA Margin, Net Worth, Return on Net Worth, Net Asset Value per Equity Share, Cost of Goods Sold, Cost of Goods Sold as a percentage of revenue from operations and operating cash flow to EBITDA. For further details, including reconciliation of non-GAAP measures, see *"Management's Discussion and Analysis of Financial Condition and Results of Operation – Reconciliation of non-GAAP measures"* on page 849. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of other companies in our industry. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, GAAP, IFRS or US GAAP. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. However, these Non-GAAP Financial Measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, such Non-GAAP Financial Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under GAAP. For further details, see *"Risk Factors – Risks relating to all our businesses – We have in this Letter of Offer included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies."* on page 32.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Further, information has also been derived from the CRISIL Report. The CRISIL Report has been prepared by CRISIL MI&A and commissioned and paid for by our Company, for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue. CRISIL MI&A is an independent agency with no relationship with and is not a related party of our Company, our Promoter or our Directors or our Subsidiaries or its Associates or the Lead Managers.

Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Letter of Offer. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based solely on such information. For details, see "*Risk Factors – We have included certain industry information in this Letter of Offer from an industry report prepared by CRISIL MI&A and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*" on page 33.

The data and statistics contained in this Letter of Offer from the CRISIL Report is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited (**CRISIL**) has taken due care and caution in preparing this report (**CRISIL Report**) based on the information obtained by CRISIL from sources which it considers reliable (**Data**). Forecasts, estimates and other forward-looking statements contained in this CRISIL Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. This CRISIL Report is not a recommendation to invest/disinvest in any entity covered in the CRISIL Report and no part of this CRISIL Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the CRISIL Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliance and consequences of non-compliance for the use of the CRISIL Report or part thereof outside India. CRISIL MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in its regular operations, obtain information of a confidential nature. The views expressed in this CRISIL Report are those of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this CRISIL Report may be published/reproduced/extracted in any form without CRISIL MI&A's prior written approval.*"

Currency of Presentation

All references to

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India;
- 'US$', 'USD', '$' and 'U.S. Dollars' are to the legal currency of the United States of America;
- 'EUR', '€' and 'Euro' are to the legal currency of the European Union; and
- 'GBP', '£' and 'Pound Sterling' are to the legal currency of the United Kingdom.

Please note:

- One crore is equal to 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currencies are as follows:

Sr. No.	Currency	As of March 31, 2024* (in ₹)	As of March 31, 2023 (in ₹)
1.	1 USD	83.37	82.21
2.	1 EUR	89.92	89.37
3.	1 GBP	105.11	101.72

Source: www.fbil.org.in

** Since March 31, 2024, was a Sunday, the exchange rate was considered as on March 28, 2024, being the last working day prior to March 31, 2024.*

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Our operations are dependent on the supply of large amounts of raw materials, including agricultural commodities, such as tea, coffee, among others. Commodity prices are impacted by global trends, geopolitical events, speculative trading, government policies and supply chain issues which could impact our inability to grow or procure adequate amounts of good quality raw material required for our operations, at competitive prices, may have an adverse effect on our business, results of operations and financial condition;

- We have a diverse portfolio of food and beverage products and any inability to integrate and manage our diversified operations may have an adverse effect on our business, results of operations and financial condition;

- Any actual or alleged non-compliance with, and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition;

- An inability to fully and timely integrate the operations of, or leverage potential operating and cost efficiencies from, recent mergers and acquisitions undertaken by us, as well as any proposed acquisitions, may not yield the resultant benefits;

- Our Company and our Subsidiary, Organic India Private Limited have received notices from the Directorate of Enforcement, Ministry of Finance, Government of India. Any adverse outcome may lead to future inquiries or escalate to investigations, legal proceedings or any possible penalties;

- The improper handling, processing or storage of our raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition;

- Our international operations expose us to economic, regulatory, social and political risks, any of which could have an adverse effect on our business, results of operations and financial condition;

- A slowdown or shutdown in our manufacturing operations or the under-utilization of our manufacturing facilities or constraint in increasing capacity to meet future demand could have an adverse effect on our business, results of operations and financial condition;

- Our inability to expand or effectively manage our growth, including our expansive sales and distribution network, may have an adverse effect on our business, results of operations and financial condition; and

- We rely heavily on our existing brands, as well as brands we have acquired, and negative publicity or dilution of these brands could adversely affect our business, results of operations and financial condition.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 16, 95 and 833, respectively.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of our Company's management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI and Stock Exchange requirements, our Company and the Lead Managers will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including the uncertainties described below, before making an investment in the Equity Shares. You should read this section together with "Industry Overview", "Our Business", "Financial Statements", "Other Financial Information" and Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 70, 95, 111, 831 and 833.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially affect our business, results of operations and financial condition. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

Unless the context otherwise requires, in this section, references to "the Company" or "our Company" are to Tata Consumer Products Limited on a standalone basis, while "we", "us" and "our" refer to Tata Consumer Products Limited on a consolidated basis.

*Industry and market data used in this section is derived from the industry report titled 'Industry report on global consumer food & beverages market with a focus on India' released in Mumbai in June 2024 prepared by CRISIL MI&A (the "**CRISIL Report**") appointed by our Company pursuant to an engagement letter dated May 6, 2024. We have commissioned and paid for the CRISIL Report specifically for the purpose of the Issue. For further information, see "Presentation of Financial Information and Other Information - Market and Industry Data" on page 13.*

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

INTERNAL RISK FACTORS

1. Our operations are dependent on the supply of large amounts of raw materials, including agricultural commodities, such as tea, coffee, among others. Commodity prices are impacted by global trends, geopolitical events, speculative trading, government policies and supply chain issues which could impact our inability to grow or procure adequate amounts of good quality raw material required for our operations, at competitive prices, may have an adverse effect on our business, results of operations and financial condition.

Our business depends on the availability of reasonably priced and good quality raw materials in the quantities required by us. Coffee and tea are some of our key agricultural commodities and their prices are affected by the global commodity markets, including global production, seasonality, environmental conditions and other factors. Any disruption in the production or global supply chain will cause adverse price movement for these products and increase the cost of raw materials in these segments, thereby adversely affecting the profitability of our Company. For instance, the price of tea may be adversely affected by events such as low production volumes due to adverse weather conditions, occurrences such as the COVID pandemic that affect tea plucking, ultimately causing loss of crops, interruptions in supply and transportation due to geopolitical conflicts, increase in oil prices, as well as the quality of tea that is available and macroeconomic factors such as inflation. Further, the price of tea is also influenced by minimum price brackets that are determined for auctions. Accordingly, we may need to incur additional expenses in procuring the required volume of tea of a suitable quality.

Among other key raw materials, we require vacuum evaporated iodized salt for our 'Tata Salt' brand, for which we rely primarily on Tata Chemicals Limited. We have entered into a long term supply agreement ("**LTSA**") with Tata Chemicals Limited, pursuant to which we acquire vacuum evaporated iodized salt at mutually agreed prices. Owing to the large quantity of vacuum evaporated iodized salt we require for our operations, we are dependent on Tata Chemicals Limited for its supply. If the cost of production for Tata Chemicals Limited increases, we may be required to pay a higher price for the vacuum evaporated iodized salt that we procure pursuant to price revisions as per the terms of the LTSA. Any interruptions in Tata Chemicals Limited's operations could adversely affect our supply of vacuum evaporated iodized salt, and we cannot assure you that we will be able to source the required quantities of vacuum evaporated iodized salt from alternative sources, at a reasonable price and in a timely manner. Salt for our operations is primarily sourced from the Gujarat region, which is susceptible to natural disasters such as cyclones and unpredictable rainfall, which could impact overall production.

We require other raw materials for our operations, such as pulses, spices, beaten rice, and we may not have long term supply agreements for all of these. For our water business, we are dependent on sourcing ground water for Tata Copper+, as well as a single aquifer for our Himalayan range, and any constraints regarding these sources could impact the growth of our ready-to-drink business. We source coffee from our own plantations and from other suppliers around the world, and our associate companies have tea estates that we are able to leverage. In addition, while we have implemented a framework to address sourcing related risks for products such as coffee through measures such as commodity price hedging, dynamic procurement sourcing strategy, optimising the supply chain through integrating digital solutions, we cannot assure you that we will be successful in managing our commodity risks. The price and availability of such raw materials depends on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, transportation cost, duties and taxes and trade restrictions. Such events may also adversely impact the price of raw materials that we require and increase the cost of our operations.

Set forth below are our Cost of Goods Sold in the corresponding years:

Particulars	**Fiscal**	
	2024	**2023**
	(₹ in crores, except percentages)	
Cost of Goods Sold	8,563.91	8,005.71
Cost of Goods Sold, as a percentage of revenue from operations	56.32%	58.08%

* *Cost of Goods Sold includes Cost of Materials Consumed, Purchase of Stock in Trade and Change in Inventories of Finished Goods/ Work-in-progress/ Stock in trade (excluding direct overheads and wages). For a reconciliation of Cost of Goods Sold and Cost of Goods Sold as a percentage of revenue from operations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Reconciliation of Non-GAAP Measures" on page 849.*

Except as disclosed in the "*Financial Statements- Note 39: Related Party Transactions*" on page 187, there is no conflict of interest between the suppliers of our raw materials (crucial for our operations) and our Company, our Promoter, entities forming part of our Promoter Group, our Key Managerial Personnel, our Senior management, our Directors, our Subsidiaries and their respective directors and our Group Companies. If, for any reason, primary suppliers of raw materials curtail or discontinue their delivery of such materials to us in the quantities we need, or on commercially acceptable terms, production schedules could be disrupted and our business and results of operations could be adversely affected. In addition, while competition for procuring raw material may result in an increase in raw material prices, our ability to pass on such increases to our customers may be limited and affect our margins and profitability.

2. ***We have a diverse portfolio of food and beverage products and any inability to integrate and manage our diversified operations may have an adverse effect on our business, results of operations and financial condition.***

We have a diverse product portfolio that includes tea, coffee, salt, pulses, spices, dry fruits, water, ready-to-drink, ready-to-cook and ready-to-eat products, breakfast cereals, snacks, and mini meals. We operate certain of these businesses through our Subsidiaries, Associates and Joint Venture in India and in several other countries including the United Kingdom, United States and Canada.

As a result of operating diverse portfolios, our management requires considerable expertise and skill to manage and allocate an appropriate amount of time and attention to each business to oversee their operations and growth prospects. Further, we have branded and non-branded businesses across geographies, and we may be required to market and price these products differently. In order to manage and integrate our diversified businesses effectively, we will be required to, among other things, stay abreast with key developments in each portfolio and geography in which we operate, implement and continue to improve our operational, financial and management systems, develop the management skills of our managers and continue to train, motivate and manage our employees. In addition, these diverse portfolios may face distinct geographical, regional, macroeconomic and financial challenges, including supply chain and transportation disruptions, some of which may affect particular jurisdictions in which we operate. Our financial condition may also be affected by adverse trends in the financial results of our Subsidiaries, Associates and Joint Ventures, particularly if they contribute substantially to our results of operations or house key product portfolios. If we are unable to manage our diversified operations effectively, our business, results of operations and financial condition may be adversely affected.

3. ***Any actual or alleged non-compliance with, and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.***

We have geographically diversified operations and are subject to laws and government regulations, including in relation to safety, health and environmental protection, which are complex and constantly evolving. These safety, health and environmental protection laws and regulations impose controls on air and water discharge, pollution, noise levels, storage handling, and other aspects of our manufacturing operations. While we have the necessary approvals for handling of hazardous substances, discharge of substances that may be hazardous in nature into the air, soil or water beyond stipulated limits may cause us to be liable to regulatory bodies, and incur costs to remedy the damage caused by such discharge, in addition to potential closure of manufacturing units.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring of employees and termination of employment, contract labour and work permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. Further, delay or default in payment of statutory dues, or adverse publicity involving our Subsidiaries, Associates and Joint Ventures may also consequently affect our operations. We cannot assure you that we will not be involved in future litigation or other proceedings, including in relation to safety, health and environmental matters, the costs of which may be significant.

Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health related to foods and agricultural produce across various regulatory jurisdictions. For instance, the provisions of the Food Safety and Standards Act, 2006, read with the rules and regulations made thereunder, are applicable to us and our products, which sets forth requirements relating to the license and registration of food businesses and general principles for food safety standards, and manufacture, storage and distribution in India. Further, in connection with our international operations, we need to comply with food safety regulations and standards that are different from those in India. Similarly, in our tea portfolio, we are required to comply with the Tea Board Guidelines and Orders, the Tea Act, 1953 and Tea Warehouse (Licensing) Order, 1989, the Plantations Labour Act, 1951, among others. All our products are also required to comply with the Legal Metrology Act, 2009 and corresponding rules in India. Any failure on our part to comply with any existing or future regulations applicable to us may result in investigations or legal proceedings being commenced against us, third party claims or the levy of fines. Non-compliance with applicable laws may also require us to shut down our facilities, or cease production or recall specific products from the market, or incur significant expenditure to ensure compliance, each of which may adversely affect our business, results of operations and financial condition.

We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. Litigation, even where unsubstantiated, may be expensive to defend and require our management to divert resources and attention. For further information, see "*Outstanding Litigation and Defaults*" on page 820.

4. ***An inability to fully and timely integrate the operations of, or leverage potential operating and cost efficiencies from, recent mergers and acquisitions undertaken by us, as well as any proposed acquisitions, may not yield the resultant benefits.***

On January 12, 2024, we entered into a share purchase agreement pursuant to which we acquired 75% equity interest of Capital Foods Private Limited ("**Capital Foods**") effective from February 1, 2024, while the remaining 25% would be acquired within the next three years. We also entered into a share purchase agreement with Organic India Private Limited ("**Organic India**") and Fabindia Limited on January 12, 2024 and acquired 99.99% equity interest of Organic India (which acquisition is effective from April 16, 2024), which has organic brands in the food and beverages and herbal and traditional supplements categories. Our result of operations for the quarter ended June 30, 2024 will reflect the results of Capital Foods and Organic India for the full quarter for the first time since their respective acquisitions. Accordingly, our results of operations for the quarter ended June 30, 2024 may not be comparable with our results of operations for previous quarters. For further information relating to our acquisition strategy, see "*Our Business – Strategies – Drive synergies through the integration and simplification of our operations*" on page 98.

We will continue to invest significant management time and financial resources to integrate and manage our existing and acquired operations, overcome market challenges that we may be unfamiliar with, and assimilate business practices. However, the process of integrating a company, business or technology is subject to certain risks and may create unforeseen difficulties and challenges, including:

- the incurrence of debt, liabilities, amortisation expenses or impairment of intangibles including goodwill, and any known or unknown obligations that we may take on;
- difficulties in integrating the operations, technologies, research and development activities, personnel and distribution, marketing and promotion activities of acquired businesses;
- additional financing required to make contingent payments or additional acquisition financing, including financing obligations assumed in connection with such financing;
- potential loss of key employees of acquired businesses and cultural challenges associated with integrating employees from the acquired company into our organization;
- inability to maintain the key business relationships and the goodwill of acquired businesses;
- failure to identify or adequately assess the magnitude of certain liabilities, shortcomings or other circumstances prior to the acquisitions, which could result in unexpected legal or regulatory exposure, unfavourable accounting treatment or unexpected increase in taxes;
- diversion of management's attention from other existing business concerns; and

- additional claims or litigations related to the business.

If we are unable to successfully integrate or manage such entities as planned, reap anticipated benefits from such initiatives, or if we are unable to achieve operating and financial synergies or economies of scale that we expect, as a result of any of the foregoing or other risks or challenges, or for any other reason, our business, results of operations and financial condition may be adversely affected.

Although we continue to evaluate strategic acquisition opportunities, such acquisitions or operations acquired or joint ventures created by us may not be profitable or may not achieve sales levels and profitability that justify the investments made. Identifying suitable acquisition opportunities can be difficult, time consuming and costly. Our inability to identify suitable acquisition opportunities, reach agreements with such parties or obtain the financing necessary to make such acquisitions in time or at all, could adversely affect our future growth.

5. ***Our Company and our Subsidiary, Organic India Private Limited have received notices from the Directorate of Enforcement, Ministry of Finance, Government of India. Any adverse outcome may lead to future inquiries or escalate to investigations, legal proceedings or any possible penalties.***

Our Company received a notice for summons dated July 3, 2023 ("**ED Notice**") from the Directorate of Enforcement, Kolkata-I Zonal Office, Ministry of Finance, Government of India ("**ED**") under sections 37(1) and (3) of the FEMA read with section 131 of the Income-Tax Act and 30 of the Code of Civil Procedure, 1908, for certain transactions conducted by our Company and its subsidiaries between the period FY 2006 to FY 2023. The ED Notice requested for details along with certain evidences and documents including in relation to (a) details of investments made by our Company in its subsidiary, Tata Consumer Products UK Group Limited; (b) the details of the filings made by our Company in relation to each such investments including the resulting change in shareholding pattern; (c) net worth of our Company and the total financial commitment comparison at the time of such investments; (e) details of the core business activity of our Company and Tata Consumer Products UK Group Limited at the time of the first investment; (f) details of approvals sought by our Company from RBI or the GOI for such investments; and (g) details of dividend received, if any, from Tata Consumer Products UK Group Limited by our Company since April 1, 2006. Our Company provided its statements to the ED on August 7, 2023, August 28, 2023 and submitted our written response on September 14, 2023. For further details in relation to this matter, please see "*Outstanding Litigation and Defaults – Other pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or financial position of our Company*" on page 822. As on the date of this Letter of Offer, our Company has not received any further communication from the ED in this respect.

Further our Subsidiary, Organic India has received a notice dated September 20, 2019 ("**Notice**") from Zonal Office Lucknow, Directorate of Enforcement ("**ED Lucknow**") under Section 37 of the FEMA read with Section 133(6) of the Income-Tax Act seeking Organic India to furnish the following: (a) complete details of foreign direct investments ("**FDI**") / external commercial borrowing ("**ECB**") / foreign institutional investment ("**FII**") and other investments received from abroad during 2006 to 2009 in Organic India; (b) copies of approvals and intimations taken/given from government authorities with respect to such investments; (c) copies of correspondences/approvals of RBI in respect of investment along with copies of the FC-GPR and other regulatory forms as applicable; (d) end use of FDI/ECB/FII and other investments taken from abroad; (e) copies of account statements in which investment was received reflecting such investment from foreign investors; (f) copies of memorandum of association and minutes of annual general meetings from Fiscal 2006 to Fiscal 2010; (g) copies of share allotment/stock register with effect from April 1, 2005 to March 31, 2010 in respect of shares issued and acquired; and (h) copies of balance sheets/ audited annual statement of the Company from Fiscals 2006 to 2010. Further, ED Lucknow also issued a notice for summons dated October 27, 2020 ("**Summons**") to the director of Organic India under FEMA to appear and furnish certain documents in relation to the Notice. In response to the Notice and Summons, Organic India has submitted responses on September 27, 2019, November 18, 2019, June 4, 2020, November 6, 2020, November 10, 2020 and July 28, 2022. As on the date of this Letter of Offer, Organic India has not received any further communication from the ED Lucknow in this respect. For further details in relation to this matter, please see "*Outstanding Litigation and Defaults – Other pending matters, which if they result in an adverse outcome, would materially and adversely affect the operations or financial position of our Subsidiaries*" on page 823.

While, our Company and Organic India have not received any further communication from the ED and ED Lucknow since submitting our response, we cannot assure you there will not be future inquiries or that these could escalate to investigations, legal proceedings or any possible penalties. As on the date of this Letter of Offer, our Company and Organic India cannot determine the timing or the outcome of this matter. In case of any adverse outcome in this matter, no assurance can be given that such outcome will not affect our business, results of operations and financial condition.

Additionally, as a result of the ED Notice and Notice, under rule 10(1)(iii) of the FEMA ODI Rules, we are required to obtain a no objection certificate ("**NOC**") from the ED and ED Lucknow, the concerned authority in the present case before making any overseas financial commitment or undertaking disinvestment overseas under the FEMA ODI Rules or the FEMA ODI Regulations. Pursuant to the FEMA ODI Rules, in the event that the ED and ED Lucknow, the concerned authority in the present case, fails to grant such NOC to our Company and Organic India respectively within sixty days from the date of receipt of such application, it may be presumed that there was no objection to the proposed transaction for which our Company or our Subsidiary, Organic India may have made such application. However, until our Company and Organic India is under investigation pursuant to the ED Notice and Notice respectively, our Company and Organic India are required to comply with the NOC requirement, which may affect our ability to make foreign remittances to our Subsidiaries and subsidiaries of Organic India respectively, if required, or to undertake any foreign divestments in a timely manner.

6. ***The improper handling, processing or storage of our raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.***

The products that we manufacture are for human consumption and are subject to risks such as contamination and product tampering in course of stages such as transport or storage. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any allegation that our products contain contaminants could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

We face inherent business risks of exposure to product liability claims in the event that our products fail to meet the required quality standards including as prescribed under the Food Safety and Standards Act, 2006 and the rules made thereunder or are alleged to result in harm to consumers. While we have laid down protocols for handling and storage of our products, at handling ports and in course of subsequent storage, our control and supervision is limited. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation and brand image, as well as entail significant costs in excess of available insurance coverage, which could adversely affect our reputation, business, results of operations and financial condition.

7. ***Our international operations expose us to economic, regulatory, social and political risks, any of which could have an adverse effect on our business, results of operations and financial condition.***

We have operations in several countries, including U.S., UK, Canada, Kenya and Australia, and have Subsidiaries in jurisdictions such as Vietnam, South Africa, Poland and Bangladesh. Our global operations include manufacturing facilities as well as regional offices, and our business is therefore subject to diverse and constantly changing economic, regulatory and social and political conditions in the jurisdictions in which we operate. Operating in international markets exposes us to a number of risks globally including, without limitation:

- compliance with local business, environmental, safety, health and other labour laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;

- dependence on governments, utility companies and other entities for electricity, water, telecommunications, transportation and other utilities or infrastructure needs;

- difficulties with local operating and market conditions, particularly regarding customs, taxation and labour;

- difficulties in organizing a skilled workforce for our manufacturing units and offices, including processing visas or entry permits quickly and repeatedly for our personnel;

- economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries;

- changes in government regulations, policies, tax, subsidies and incentives, including transfer pricing rules; and

- political risks, risks of expropriation and nationalization of assets, potential losses due to civil unrest, acts of terrorism and war, regional and global political or military tensions, strained or altered foreign relations and protectionism.

To the extent that our operations are affected by adverse economic, regulatory and, social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could adversely affect our business, results of operations and financial condition.

8. A slowdown or shutdown in our manufacturing operations or the under-utilization of our manufacturing facilities or constraint in increasing capacity to meet future demand could have an adverse effect on our business, results of operations and financial condition.

We own and operate 23 manufacturing facilities in India and six in international markets, as of March 31, 2024. For information on the capacity and capacity utilization of our manufacturing facilities, see "*Our Business – Description of our Business – Manufacturing Facilities – Capacity and Capacity Utilization*" on page 102. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair the malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. Consequently, the malfunction or break-down of our machinery or equipment resulting in the slowdown or stoppage of our operations may adversely affect the quality of products stored by us. In addition, we may be required to carry out planned shutdowns of our units for maintenance, statutory inspections and testing, or may shut down certain units for capacity expansion and equipment upgrades.

As of March 31, 2024, we had over 4,500 employees across our operations and manufacturing facilities, excluding plantation workers. Slowdowns or shutdowns may also result from raw material supply disruptions, legal disputes or labour unrest. For instance, the lease agreement entered into by our Company for its manufacturing facility at Tetley, Cochin expired on December 31, 2015, and has not been renewed since, as the bid through which the lease was allocated to our Company has been challenged and is under mediation. Our Company has continued to pay the lease rent as per the terms of the expired agreement. However, we cannot guarantee that the mediation proceedings shall be concluded in our favour or that our rights or title over the manufacturing facility will not be challenged further.

Although we have not experienced any significant disruptions at our manufacturing facilities in the two preceding Fiscals, there may be disruptions in our operations in the future, causing under-utilization of our manufacturing facilities, slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

9. Our inability to expand or effectively manage our growth, including our expansive sales and distribution network, may have an adverse effect on our business, results of operations and financial condition.

We have progressively expanded our operations. In Fiscal 2024 and 2023, our revenue from operations was ₹ 15,205.85 crores and ₹ 13,783.16 crores, respectively. We have an extensive sales and distribution network, covering approximately 0.16 crores directly serviced outlets and over 10,000 distribution partners (distributors and sub-distributors), as of March 31, 2024. To sell products to our consumers, we adopt an omni-channel approach that includes general trade, modern trade, e-commerce and wholesale channels, and our ability to expand and grow our product reach significantly depends on the reach and effective management of our sales and distribution network. We continuously seek to increase the penetration of our products by expanding our outlets, appointing new distribution partners targeted at different customer groups, using data and analytics to generate insights and improve efficiency.

We have entered into agreements with some of our third party distributors. Some of our agreements with our distributors have expired and we have continued their engagement through e-mail communications. In addition, we are engaged in negotiating a formal agreement with our top institutional sales distributor. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour concerns, which could lead to delayed or lost deliveries. In addition, failure to provide distribution partners with sufficient inventories of our products may result in a reduction in the sales of our products. If we fail to manage our sales and distribution network effectively and ensure that our products are offered in a timely manner to our customers through our omni-channel network, our business, results of operations and financial condition may be adversely affected. Any change in our channel mix could also impact profitability. Failure to manage our growth effectively could have an adverse effect on our business, results of operations and financial condition.

10. We rely heavily on our existing brands, as well as brands we have acquired, and negative publicity or dilution of these brands could adversely affect our business, results of operations and financial condition.

Our businesses are significantly dependent on the strength of our brands and reputation, as well as market perception regarding our operations. Our product portfolio spans various brands such as 'Tata Tea', 'Tetley', 'Teapigs, 'Good Earth', 'Eight O' Clock', 'Tata Coffee Grand', 'Himalayan' 'Tata Salt', 'Tata Sampann', Tata Gluco Plus', 'Tata Copper+' and 'Tata Soulfull'. We believe that continuing to develop awareness of our brands, through focused and consistent branding and marketing initiatives, among retail consumers and institutional customers, is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets.

Litigation, employee misconduct, operational failures, regulatory investigations, press speculation and negative publicity, whether actual, unfounded or merely alleged, could damage our brands and our reputation and confidence of customers. Negative publicity could be based, for instance, on allegations that we have failed to comply with regulatory requirements or result from failure in business continuity, insufficient transparency regarding our ingredients, administration of claims or alleged employee misconduct. For instance, reports on the use of child labour on Indian plantations adversely affected the sale of our 'Tetley' tea in the United Kingdom, while reports on pesticide content in Indian tea adversely affected our sale of tea. Any negative publicity involving the 'Ching's Secret' and 'Smith & Jones' brands that we have acquired may similarly affect our sales and results of operations. In addition, there may be attempts by individuals unconnected with us, to fraudulently purport to sell our products to consumers. It is possible that the success or attempt of such frauds, illegally using our branding, may damage our reputation and perceived trustworthiness. Decrease in product quality due to reasons beyond our control or allegations of product defects, even when false or unfounded, could tarnish the image of the established brands and may cause consumers to choose other products.

As some of our products and brands are endorsed by celebrities, any negative publicity affecting celebrities who have endorsed our products and/or brands may impair our reputation and adversely affect our business in the aftermath of such negative publicity, even if temporary. Our branding and marketing initiatives may be diluted by conflicting actions or comments of celebrities who have endorsed our products and/or brands. We may also need to change our marketing strategies if there is negative publicity regarding brands we collaborate with. Any damage to our brand or our reputation may result in loss of existing customers or distribution partners as well as loss of new business from potential customers. Further, negative publicity may result in an increase in regulatory scrutiny of industry practices, influence market perception of our business and affect our ability to maintain our credit ratings. Accordingly, any harm to our brand and reputation may have an adverse effect on our business, results of operations and financial condition.

11. We operate certain businesses through associates, a joint venture or with the presence of minority shareholders, which may expose us to risks associated with such businesses.

We operate a Joint Venture, Tata Starbucks Private Limited, through which we operate Starbucks cafes in India. As of March 31, 2024, we had 421 Starbucks cafes in India across 61 cities.

For businesses that we conduct through Associates, Joint Venture or with the presence of minority shareholders, such as Capital Foods Private Limited, we are likely to share ownership and management responsibility of the company with one or more parties who may not have the same goals, strategies, priorities or resources as us. These joint ventures, associates or companies with minority shareholders are intended to be operated for the benefit of all shareholders, rather than for our exclusive benefit. In addition, our investment in such joint ventures, associates or companies with minority shareholders is subject to risks that may not be present with other methods of ownership, such as:

- impasse on certain decisions because we do not have sole decision-making authority, which could require us to expend additional resources to resolve such impasses or potential disputes, including buy-outs, litigation or arbitration;

- inability to obtain or renew approvals and permits in a timely manner from the jurisdictions in which our joint ventures operate;

- joint venture partners or other shareholders having investment and financing goals that are not consistent with our objectives, including the timing, terms and strategies for any investments, and what levels of debt to incur or carry;

- limited ability to transfer our interest in such subsidiaries, joint ventures or associates to a third party owing to restrictions in the underlying agreement and limited market demand; and

- the joint venture partner failing to fund their share of required capital contributions or failing to fulfil their obligations, which may require us to infuse our own capital into the venture on behalf of the partner despite other competing uses for such capital.

While the underlying agreements to such relationships address conflicts of interest, we cannot assure you that the minority shareholders or joint venture partners will comply with the terms of such agreements, or that they will not have competing interests in our markets of operations. Any of the foregoing risks could adversely affect our business, results of operations and financial condition.

12. Certain of our Subsidiaries, our Joint Venture and our Associate have incurred losses in the past. We may face impairment risks in relation to investments in our Subsidiaries, Joint Venture and Associate companies.

Certain of our Subsidiaries, our Joint Venture, Tata Starbucks Private Limited, and our Associate, have incurred losses in the past, as set forth below:

Particulars(4)	Fiscal 2024	Fiscal 2023
	Profit after taxation (₹ in crores)	
Subsidiaries		

Particulars[4]	Fiscal 2024	Fiscal 2023
	Profit after taxation (₹ in crores)	
Tata Consumer Products Overseas Holdings Ltd.	(21.86)	-
Teapigs US LLC	(3.30)	(1.15)
Tata Consumer Products US Holdings Inc.	-	(6.78)
Tata Waters LLC[5]	(2.49)	(1.38)
Good Earth Corporation[5]	(0.18)	-
Good Earth Teas Inc. [5]	(12.07)	(17.37)
Tetley ACI (Bangladesh) Ltd.[2]	(0.68)**	(2.22)**
Tata Consumer Products Capital Ltd.	-	(23.03)
Tata Consumer Soulfull Private Ltd. [6]	(18.71)	(27.33)
Tata SmartFoodz Ltd. [6]	(99.29)	(45.76)
Tata Coffee Limited[1]	-	(0.08)
TRIL Constructions Ltd	(0.79)	(0.64)
Tata Tea Holdings Private Ltd.	(0.01)	(0.01)
Joint Ventures[3][4]		
Tata Starbucks Private Limited	(39.99)	(12.49)
Associates[4]		
Amalgamated Plantations Private Limited	(45.02)	(22.45)

(1) *Tata Coffee Limited (earlier TCPL Beverages & Foods Limited) initiated operations in Fiscal 2024.*

(2) *The fiscal year for Tetley ACI (Bangladesh) Ltd. commences on July 1 of a calendar year and ends on June 30 of the following calendar year. Accordingly, information has been provided for the fiscal years ended June 30, 2023 and June 30, 2022.*

(3) *Tetley Clover (Private) Limited, a joint venture, is under liquidation.*

(4) *The Profit after Tax for Joint Ventures and Associates represents only our Company's share.*

(5) *Our erstwhile stepdown subsidiaries Tata Waters LLC, Good Earth Corporation and Good Earth Teas Inc., have merged into Tata Consumer Products US Inc. (erstwhile Tetley US Inc.), a step-down subsidiary of our Company with effect from July 1, 2024.*

(6) *The Hon'ble National Company Law Tribunal, Kolkata Bench, by its order dated July 18, 2024, sanctioned the scheme of amalgamation of our wholly owned subsidiaries, Tata SmartFoodz Limited and Tata Consumer Soulfull Private Limited with our Company. The scheme of amalgamation shall become effective on the effective date, being the date on which the certified copies of the order dated July 18, 2024 are filed with the respective registrar of companies and all conditions for bringing the scheme of amalgamation into effect are fulfilled.*

Further, Organic India incurred a loss of ₹ 91.68 crore in Fiscal 2023. Also see "*Financial Statements*" on page 111 for information regarding an assessment of carrying value of investments in an associate. While we have adopted strategies to improve the profitability of our loss-making companies, we may not be successful in implementing these strategies. Macroeconomic conditions, change in regulations, sector dynamics, consumer preferences, increased competitive activity and other factors beyond our control may prevent the successful executing of our strategies and we cannot assure you that our Subsidiaries, Joint Venture and Associates will be profitable in future. While we are exposed to impairment risks in our standalone business, particularly in connection with our manufacturing facilities, we have also invested a significant amount of capital in our Subsidiaries, Associates and Joint Venture. Continued loss by our Subsidiaries, Associates and Joint Venture may lead to impairment charges, should the recoverable amount of the investments fall below its carrying value. Any changes in the fair value of these investments may adversely affect our financial condition.

13. Any significant increase in the cost of packaging we use for our products may lead to inflationary pressures and our inability to either increase the prices of our products may have an adverse effect on our business, results of operations, financial condition and cash flows.

We incur costs on packaging material for our products. The cost of commodities used in the packaging of our products may be subject to inflationary pressures. The cost of our packaging material may be impacted by the price of crude oil and resins, and the availability of the required material. If our Company increases the prices of our products in order to account for higher packaging costs, we may face resistance from consumers. We may be unable to pass on the increased costs to our consumers due to competitive pressures in the market. Further, packaging materials may be subject to changes in regulation, including those limiting the use of plastic or requiring the use of renewable packaging material. We may need to incur increased costs in order to procure packaging material compliant with regulatory requirements, and we cannot assure you that we will be able to identify suitable vendors in a timely manner.

Further, we rely on a limited number of vendors for the supply of certain packaging materials, such as tissue for tea bags in the international markets. Any concentration of vendors that we procure packaging materials from, or specific packaging materials that are only supplied by a limited number of vendors, could restrict our ability to negotiate the price at which packaging material is procured by us and require us to incur higher expenses if prices are increased by these vendors. We may not have formal agreements with such suppliers, or our agreements may expire in the ordinary course of business. We cannot assure you that we will be able to renew these agreements in a timely manner in order to ensure uninterrupted supply. Further, we cannot assure you that we will be able to identify alternative sources of supply for these packaging materials at competitive costs if there is disruption in supply, in a timely manner or at all.

14. We may not be able to derive the intended benefits from internal restructuring that we have undertaken, or may undertake in future.

We have recently undertaken certain restructuring initiatives to create a simpler organizational structure – (i) the Hon'ble National Company Law Tribunal, Kolkata Bench, by its order dated July 18, 2024, sanctioned the scheme of amalgamation of our wholly owned subsidiaries, NourishCo Beverages Limited, Tata SmartFoodz Limited and Tata Consumer Soulfull Private Limited with our Company. The scheme of amalgamation shall become effective on the effective date, being the date on which the certified copies of the order dated July 18, 2024 are filed with the respective registrar of companies and all conditions for bringing the scheme of amalgamation into effect are fulfilled; (ii) through a composite scheme of amalgamation, we have demerged the plantation business of our previously listed subsidiary, Tata Coffee Limited into our wholly owned subsidiary, TCPL Beverages and Foods Limited (now named Tata Coffee Limited), followed by merger of Tata Coffee Limited (comprising its remaining business of coffee extraction) into our Company pursuant to a scheme of arrangement with effect from January 1, 2024, and (iii) our erstwhile step-down subsidiaries Tata Waters LLC, Good Earth Corporation, Good Earth Teas, Inc., Eight O' Clock Holdings, Inc. and Eight O' Clock Coffee Company have merged into Tata Consumer Products US Inc. (erstwhile Tetley US Inc.), a step-down subsidiary of our Company with effect from July 1, 2024.

Internal restructuring may require a longer time to operationalize than our previous estimate because of factors such as change in applicable law, as well as delay in receipt of regulatory approvals. We may devote time and resources to such restructuring, and we cannot assure you that we will be able to generate the expected synergies or efficiencies that we anticipate as a result of such restructuring.

15. ***Our inability to predict, respond to and meet the tastes, preferences or consistent quality requirements of our consumers or our inability to successfully adapt to changes in technology, market demand or consumer preference could reduce demand for our products.***

Our results of operations and future growth plans are largely dependent upon the demand for our products, which in turn depends primarily on consumer-related factors such as demographics, local preferences, food consumption trends, the level of consumer confidence as well as on macroeconomic factors such as the condition of the economy and per capita income. Consumer preferences may change over time, for instance, towards healthy dietary options. Our success depends on our ability to anticipate consumption trends, such as the tastes and dietary habits of consumers and to offer affordable products that appeal to their needs and preferences in a timely manner. For instance, we have observed a decline in demand for black tea categories globally, and we will need to pivot to non-black tea product categories, which may affect international profitability.

Before we can introduce a new product, we must successfully execute a number of steps as part of innovation and new product development, including successful research and development, market assessment, cost of bringing the product to market, marketing and distribution agreements and similar considerations. Certain new products may require additional approvals and registrations, effective marketing strategies for our target consumers, and scaling our production and infrastructure networks to increase or change the nature of our production capacity. The development and commercialization process of a new product requires us to spend considerable time and money. Our new products may not be commercially successful and we may withdraw such new products, segments or markets.

For certain product lines, we also depend on the successful introduction of new production and manufacturing processes to create innovative products, achieve operational efficiencies and adapt to advances in, or obsolescence of our technology. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. If we are not able to anticipate, identify or develop and market products that respond to changes in consumer tastes and preferences, demand for our products may decline and we may also have to incur additional operating expenses, and our business, results of operations and financial condition in turn may be adversely affected.

16. ***Import restrictions by other countries on products that we offer may have an adverse impact on our business, results of operations and financial condition.***

In addition to sales within India, we export our products. Set forth below are details of our revenue from exports outside India in the corresponding years:

Particulars	Fiscal	
	2024	2023
	(₹ in crores, except percentages)	
Revenue from exports (generated from Indian Entities including intercompany sale)	1,028.50	999.66
Revenue from exports (generated from Indian Entities including intercompany sale), as a percentage of revenue from operations of Indian Entities	9.22%	10.01%

Policies implemented by other countries or international organisations to limit imports from certain countries and/or exporters (such as the imposition of qualitative or quantitative restrictions, specifications regarding pesticide levels, sourcing certifications, increased inspections and quarantines or additional requirements for sales) may affect our ability to sell such products abroad. Further, we may need to provide specifications regarding the nature of the products we export, including labels indicating lactose, soy or nut content, *halal* certifications, among others, which may differ from labelling and quality requirements in India. As we continue to grow our international footprint and target consumers overseas, including in the United States and United Kingdom with our products, the imposition of such policies applicable to the products we manufacture may adversely affect our growth prospects. Export sales may account for a significant portion of our overall revenue in future, and any import restrictions implemented by other countries or international organisations on products that we offer may have an adverse effect on our business, results of operations and financial condition.

17. A shortage or non-availability of electricity or water may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our manufacturing operations require a significant amount and continuous supply of electricity, fuel and water. The production process of certain products, as well as the storage of certain raw materials and products in temperature-controlled environments requires significant power. We source our water requirements from state and municipal corporations and local body water supply, canals, bore wells and water tankers and depend on state electricity boards and private suppliers for our energy requirements. While there have not been any supply disruptions in the past, any failure on our part to obtain alternate sources of electricity, fuel or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

18. Our inability to accurately forecast the volume of demand, or price for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

Our businesses depend on our estimate of the demand for our products from consumers. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our production volumes, there may be positive bias (with forecast being higher than actual sales), which could result in a reduction in our profits and the existence of surplus stock, which may result in additional storage cost and such surplus stock may not be fully liquidated in a timely manner. At times when we overestimate demand, we may incur costs to build capacity or purchase more raw materials and manufacture more products than required. This may result in our working capital being tied up in inventory for a longer period of time than anticipated. An inability to effectively plan and manage inventory turnover may result in excess or insufficient inventory or fulfilment capacity, resulting in increased costs and impairment charges. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

19. Our inability to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our businesses may have an adverse effect on our business, results of operations and financial condition.

Our business operations are subject to extensive government regulation and require us to obtain and maintain a number of statutory and regulatory permits, certificates and approvals under central, state and local government rules in India, including approvals under the Food Safety and Standards Act, 2006 ("**FSSA**"), Legal Metrology Act, 2006, obtaining factory licenses, environmental related approvals, and labour and tax related approvals, generally for carrying out our business and for each of our manufacturing units. For instance, the provisions of the FSSA along with relevant rules and regulations are applicable to us and our products, which sets forth requirements relating to the license and registration of food businesses and general principles for food safety standards, and manufacture, storage and distribution of food products. Contravention of the requirement to obtain a license or carrying a business without obtaining a license under the FSSA is punishable with imprisonment for a period of up to six months and fines. Subsequent contraventions are punishable with twice the punishment during the first conviction and higher monetary and other penalties including cancellation of license.

As we also export certain of our products overseas, we are also required to comply with international rules and regulations in respect of such exports. We are also required to comply with quality standards in other jurisdictions, and food safety and security standards in these jurisdictions outside India. If there is any delay or failure by us to obtain or renew relevant approvals, we may incur increased costs, be subject to penalties, be required to alter our manufacturing and/or procurement operations or otherwise suffer disruption in our activities. We do not have control over the time required for renewal or issue of licenses, and any delays or rejections may adversely affect our business and results of operations.

We may also be unable to fulfil the terms and conditions, subject to which such licenses and registrations are granted. Failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations. We may be required to temporarily halt our operations, shut down our manufacturing facilities, and face disruption to our business in the event we are unable to comply with the terms and conditions subject to which we are granted licenses, or if a regulator alleges that we have not complied with such terms and conditions. Such instances may have an adverse effect on our reputation and brand name. Our licenses and approvals may be revoked or suspended, or we may subject to levy of fines, penalties or other action, which in turn may have an adverse effect on our business, financial condition and results of operations.

20. We rely on third-party manufacturers to produce some of our products. Any failure or loss of third-party manufacturers could result in delays and increased costs, which may adversely affect our business, results of operations, financial condition and cash flows.

In order to increase our manufacturing capacity, we follow an asset light model and have entered into arrangements with third-party manufacturers to produce some of our products. For our India branded business, we operate through a mix of owned and third-party packing centres, as well as owned and third-party and 2P food units. Our water operations also include co-packing plants, which are a mix of owned and 2P plants. For further information, see "*Our Business – Description of our Business – Manufacturing Facilities*" on page 102.

We depend on the expertise of such third-party manufacturers and rely on them to provide satisfactory products and levels of service. We have entered into contracts with our third-party manufacturers, and may not have complete influence and control over the manufacturing processes and quality control measures implemented by these manufacturers. However, in the event that the third-party manufacturers fail to meet the standards we specify, we may face reputational damage and may have to incur the cost of any resultant product recalls or legal claims or may face regulatory or statutory actions. Additionally, we may face increased costs if the third-party manufacturers raise their prices or we may need to find alternative manufacturers at higher cost to continue business operations. This could result in decreased profit margins and adversely affect our business, results of operations, financial condition and cash flows.

Moreover, except as disclosed in the "*Financial Statements- Note 39: Related Party Transactions*" on page 187, there is no conflict of interest between our third party manufacturers (crucial for our operations) and our Company, our Promoter, entities forming part of our Promoter Group, our Key Managerial Personnel, our Senior management, our Directors, our Subsidiaries and their respective directors and our Group Companies.

Further, our current and future third-party manufacturers are required to obtain certain approvals, registrations, permissions and licenses from regulatory authorities including complying with applicable and relevant labour laws, to carry out/ undertake their operations.

These approvals, licenses, registrations and permissions may be subject to numerous conditions. If they fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if they fail to comply with applicable conditions or it is claimed that they have breached any such conditions, their license or permission for carrying on a particular activity may be suspended or cancelled and they may not be able to carry on such activity, which could adversely affect our business, results of operations, financial condition and cash flows. In any of the above mentioned circumstances, if we are unable to find a suitable replacement of another third-party manufacturing facility in the same region, we cannot assure you that we will be able to ensure timely supply of products manufactured by such third-party manufacturing facilities, which could adversely impact our business, results of operations, financial condition and cash flows.

21. Our operations are subject to liabilities regarding health and safety, which could adversely affect our business, results of operations and financial condition.

Our operations are subject to various hazards associated with manufacturing and packaging. Any mishandling of hazardous material could also lead to fatal accidents. In addition, our employees operate heavy machinery at our manufacturing facilities and accidents may occur while operating such machinery. These hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. For instance, in course of installation of a goods elevator at one of our Company's manufacturing facilities at Theni, there was an accident which claimed the life of a technician and resulted in injuries being sustained by another technician. Additionally, as a result of past or future operations, claims of injury by employees or members of the public due to exposure, or alleged exposure, involved in our business may arise.

Events like these could result in proceedings being initiated against us by regulatory authorities, liabilities, or adversely affect our reputation with distribution partners, consumers, regulators, employees and the public, which could in turn affect our business and results of operations. While we maintain general insurance against such liabilities, insurance proceeds may not be adequate to fully cover substantial liabilities, lost revenues or increased expenses that we might incur.

22. Fluctuation in the exchange rate between the Indian rupee and foreign currencies, and within foreign currencies may have an adverse effect on our business, results of operations and financial condition.

We operate in various geographies and are exposed to foreign exchange risk on our currency exposures such as the U.S. Dollar, Canadian Dollar, Australian Dollar, Euro and the British Pound. We are exposed to transactional and translation foreign exchange risks.

Transactional risk relates primarily to our Company's operating activities, which consist of receivable exposure arising out of exports predominantly from India and from our Subsidiaries. We also have exposure on foreign currency payables pertaining to imports in India and in our overseas Subsidiaries and a term loan for our Vietnam subsidiary. Any volatility in the currency exchange movement affecting our operations in India and internationally can have an impact on our business and results of operations. Translation risk emanates from the items included in the financial statements of our Company which are measured using Indian Rupees, our functional currency. We are therefore subject to exchange rate volatility and translation risk arising from foreign currency transactions being translated into Indian rupees for the purposes of our consolidated financial statements. While our Company has established foreign currency hedging policies and practices to manage these risks, we cannot assure you that we will be able to successfully hedge our foreign currency exposure. The risk emanating from exchange rate requires us to establish risk management practices including hedging arrangements using derivatives, such as foreign exchange forward contracts and options. However, any policy change by RBI from time to time may limit our ability to effectively hedge our foreign currency exposures.

While we follow established risk management policies to hedge our exposure to foreign currency risks, as discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Qualitative Disclosure about Market Risk – Currency Risk*" on page 818, if we fail to navigate foreign currency risks, our business, results of operations and financial condition may be adversely affected.

23. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.

We have entered into agreements with certain banks and financial institutions to avail short-term and long-term borrowings, and have issued commercial papers. As of March 31, 2024, our total borrowings amounted to ₹ 2,953.85 crores. Some of these borrowing arrangements are secured through charge over current assets and/or certain properties, present and future, including movable plant and machinery and in some cases, we provide corporate guarantees or letters of comfort. In the event of a default by our Company or our Subsidiaries under any loan facility, the respective lender may enforce its rights, including by way of repossession, appropriation or sale of such assets provided as security under the relevant loan agreements. We cannot assure you that we will not default on any of our repayment obligations or other terms of the borrowing arrangements in the future or that our respective lenders will not enforce their rights upon such default. Further, we have availed unsecured loans, the outstanding amount of which is ₹ 2,718.39 crores, or 92.03% of our total borrowings as of March 31, 2024. Subsequent to March 31, 2024, we have raised additional borrowings through commercial papers for the purpose of funding the acquisition of Organic India. For further information, see "*Objects of the Issue*" on page 55.

Our financing agreements also contain certain restrictive covenants that limit or delay our ability to undertake certain types of transactions, and could adversely affect our business and financial conditions. Under certain financing arrangements, we are required to obtain prior consent from the relevant lenders, or intimate them, for actions such as:

- alteration of our capital structure;
- any change in the promoter or control or any material change in the management of our business;
- the creation of charges, liens or encumbrance in favour of other lenders; and
- declaring dividends or repaying certain investors (in the case of an event of default).

We have provided the relevant intimations to our lenders in connection with this Issue. Certain of our borrowings also require us to maintain certain financial ratios which are tested on a regular basis.

Some of our financing arrangements also have cross-default provisions with respect to other credit facilities. Further, some of our financing arrangements also entitle the lenders to cancel the undrawn amount of the facility in certain circumstances, including downgrading of our credit rating by a credit rating agency (below certain rating thresholds) or adverse remark or its equivalent by our auditors. Further in the event of breach of any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Such adverse events may lead to liquidity risk, and we may be forced to sell some of our assets to make such repayments. Any adverse or restrictive change in the regulatory framework on credit system by the RBI or any other regulatory agency may have adverse effect on our business, financial condition, and results of operations. Any failure to meet our obligations under credit facilities could have an adverse effect on our business, financial condition and results of operations.

24. Our Company and Subsidiaries are involved in certain legal and other proceedings. We cannot assure you that our

Company and Subsidiaries will be successful in any of these legal actions. Any adverse outcome in such proceedings may affect our business, results of operations and financial condition.

Our Company and Subsidiaries are impleaded in a number of legal proceedings that, if determined against our Company and Subsidiaries, could have an adverse effect on our business, results of operations and financial condition. For further information, see "*Outstanding Litigation and Defaults*" on page 820.

A summary of material outstanding legal proceedings involving our Company and Subsidiaries as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below.

Name of entity	Proceedings involving issues of moral turpitude or criminal liability	Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Tax proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Proceedings before regulatory authorities involving material violations of statutory regulations	Matters involving economic offences where proceedings have been initiated	Other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position	Aggregate amount involved (₹ in crores)*
Company							
By our Company	3	Nil	Nil	Nil	Nil	Nil	10.80
Against our Company	3	Nil	Nil	Nil	Nil	2	171.83
Subsidiaries							
By our Subsidiaries	5	Nil	Nil	Nil	Nil	Nil	0.32
Against our Subsidiaries	1	Nil	Nil	Nil	Nil	1	Not quantifiable

**To the extent quantifiable.*

Decisions which are adverse to our interests in any of the aforesaid material outstanding legal proceedings or any other proceedings involving our Company and Subsidiaries may have an adverse effect on our business, results of operations and financial condition. Further, we may not be able to locate certain of our past corporate records, including legal and secretarial. If the courts or tribunals or any government or statutory authorities rule against our Company and Subsidiaries, we may face monetary and/or reputational losses and if required, may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

Additionally, our Company received a draft assessment order ("**DRO**") under section 144C(1) of the Income-Tax Act on September 29, 2023, wherein the income tax authorities have proposed disallowance of certain expenses/deductions claimed by our Company for financial year 2019-20. In the DRO, the income tax authorities have (a) disallowed depreciation claim on intangible assets amounting to ₹1,505.35 crore, (b) disallowed expenditure of ₹8.82 crore under section 14A of the Income-Tax Act read with rule 8D of the Income Tax Rules and (c) undertaken downward arm's length price adjustment of ₹14.08 crores towards the technical/support service fees paid by our Company to certain associated entities. Our Company filed its objections on October 27, 2023 in respect of the DRO, before the Dispute Resolution Panel-2, New Delhi, ("**DRP**") on the grounds of (i) claim for depreciation on intangible assets being in line with position of law and supported by ruling of the Hon'ble Supreme Court, (ii) the disallowance under section 14A being untenable and the claim being supported by rulings of courts in our Company's own case, and (iii) the nature and value for services received by our Company from its associated entities have been agreed with Central Board of Direct Taxes pursuant to an advance pricing agreement. The DRP by way of its directions dated June 19, 2024, agreed with DRO on disallowance of depreciation and expenditure under section 14A and reversed the downward arm's length price adjustment towards technical/support services fees. Our Company has received the assessment order dated June 27, 2024, under section 143(3) read with section 144C(13) of the Income-Tax Act giving effect to the DRP directions. The tax demand as per the final assessment order is ₹171.83 crore (including interest). Our Company is in the process of reviewing the order and preparing for an appeal before the appropriate judicial/adjudicating authority. However, we cannot assure you that the final outcome of this appeal will not have a material adverse impact on the business, financial condition and results of operations of our Company. Further, we also cannot assure you that the income tax authorities will not impose penalties or raise tax demand on similar expenditure/deduction claimed by our Company in subsequent years, which may also have adverse an impact on the financial condition of our Company.

25. We engage in highly competitive businesses and any failure to effectively compete could have an adverse effect on us.

The food and beverages industry is highly competitive, and we face intense competition in most of our product offerings including tea, coffee, salt, spices and bottled water. We compete with several regional and local companies, as well as large multi-national companies that may be larger and have substantially greater resources than we do, including the ability to spend more on advertising and marketing. Due to low entry barriers, we also face competition from new entrants, especially at rural and semi-rural areas, who may have more flexibility in responding to changing business and economic conditions. Competition may limit our ability to grow or even maintain our market share. Current and future competitors may introduce new and more competitive products, adopt more aggressive pricing policies, increase production capacities, make strategic acquisitions or establish cooperative relationships among themselves or with third parties, including our distribution partners, thereby increasing their ability to address the needs of our target customers.

In particular, our products are vulnerable to price volatility at both the domestic and international level. If our competitors develop more efficient production facilities which enable them to produce their products at lower costs, they could sell at lower prices and that could require us to review the pricing and marketing strategy for our products. Further, our competitors may in future have access to captive raw material sources, which would enable them to produce end products at lower costs. Failure to effectively compete with respect to products, pricing or distribution, could have an adverse effect on our business, results of operations and financial condition.

26. We require financing for our business operations and the failure to obtain timely financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.

Our total borrowings as on March 31, 2024 amounted to ₹ 2,953.85 crores. Our primary sources of external debt funding include term loans, commercial papers, cash credit limits and working capital demand loans. Our continued business growth, liquidity and profitability will depend on our ability to obtain adequate liquidity in a timely manner from relatively stable and cost-effective sources of funds, which in turn depends on our operating and financial performance, cash flows, credit ratings and relationships with lenders. We cannot assure you that our business will generate sufficient cash at all times to enable us to service our operational liquidity needs and to fund existing debt on repayment. Further, any increase in interest rates due to regulatory or market driven changes will increase the cost of servicing existing or future debt.

Our ability to obtain additional financing on favourable terms will depend on numerous factors, such as our current and future profitability, ability to generate cash flows, operational efficiency, existing indebtedness and related terms (security, limits, our track record of compliance with the covenants contained in our financial agreements, among others), product-market fit for our products, competition, overall market conditions including financial markets, general economic and political environment and other conditions in the markets where we operate. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions may make it difficult for us to access financing in a cost-effective manner.

We cannot assure you that we will be able to raise required financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our business, results of operations and financial condition.

27. Our ability to access capital at attractive costs depends on our credit ratings. Downgrade in credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.

Our borrowing costs and our access to capital and loan markets depend on our credit ratings. These ratings are assigned by rating agencies. Based on any future adverse operating and financial performance of our Company or our Subsidiaries, credit rating agencies may downgrade or withdraw their ratings or place us on “credit watch” with negative implications at any time. The credit ratings of our instruments as of the date of this Letter of Offer are set forth below:

Nature of Instrument	Credit Rating Assigned
Working capital facilities (including non-fund limits)	[ICRA] AAA (Stable)/ [ICRA] A1+
Non-fund based facility (Sub-limit of working capital limits)	[ICRA] A1+
Short term instruments - commercial papers	[ICRA] A1+, CARE A1+

A decline in our credit ratings could increase our borrowing costs and limit our access to the capital and loan markets. This, in turn, could reduce our earnings and adversely affect our liquidity. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our current or future borrowings.

28. Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business, results of operations and financial condition.

As part of our strategy aimed towards business growth and improvement of market position as well as maintaining our market share across businesses, we intend to implement several business strategies, which include the following:

- Continue to strengthen and accelerate our core business;
- Explore new opportunities to grow our business;
- Drive synergies through the integration and simplification of our operations; and
- Use digital technology to enhance operational efficiencies and accelerate innovation.

We also intend to focus on our sustainability initiatives. For further information on our strategies, see "*Our Business - Strategies*" on page 98.

Our strategies may not succeed due to various factors, including our failure to develop new products and services with sufficient growth potential as per changing market preferences and trends, our failure to enter into new distribution arrangements and maintain our existing network, execute agreements with our technology partners, our failure to effectively market new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, packaging, automation, equipment and technology as required to cater to the requirements of changing demand and market preferences, our failure to maintain quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Our new businesses may not perform as anticipated, requiring us to deviate from our plans for such businesses. Any failure on our part to implement our strategies could be detrimental to our long-term business outlook and our growth prospects and may adversely affect our business, results of operations and financial condition.

29. Any inability to protect our intellectual property, technical know-how or other proprietary information, or claims that we infringe on the intellectual property rights of others, could have an adverse effect on our business, results of operations and financial condition.

Our Company has registered trademarks and applied for trademark registrations, including for key brand names such as Tata Tea, Himalayan and Eight O' Clock, among others. We also rely on unpatented proprietary know-how, recipes, continuing technological innovation and other trade secrets to develop and maintain our competitive position. Additionally, from time to time, we obtain trademark registrations in certain foreign jurisdictions where our products are sold. If we are unable to register our trademarks, remove objections to our trademark applications, or if any of our unregistered trademarks are registered in favour of or used by a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill.

We cannot assure you that third parties will not infringe upon our intellectual property, including our brand names, or claim that we infringe upon theirs, causing damage to our business prospects, reputation or goodwill. While we have periodically initiated proceedings for passing off, and look-alike products, we may not be able to prevent infringement, and litigation may not only prove costly but may also result in adverse rulings against us. The efforts we have taken to protect our intellectual property may not be sufficient or effective, and our trademarks, copyrights and patents may be held invalid or unenforceable. Further, some of our product lines may involve proprietary recipes, technical know-how and the use of proprietary information, which we may not be able to safeguard adequately. If such information regarding our products and processes were to be divulged, we cannot assure you that we will be able to maintain our competitive advantage. We cannot assure you that we will successfully obtain or protect certain intellectual property and any such failure could have an adverse effect on our business, results of operations and financial condition.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may be involved in proceedings alleging that we have copied packaging artwork or trade dress, and we may also initiate such proceedings from time to time. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

30. We are subject to counterfeit, cloned and pass-off products, which may reduce our sales and harm the reputation and goodwill of our brands.

We are subject to the risk of counterfeit, cloning and passing-off of our products in our businesses. Counterfeit and cloned products are products manufactured and sold illegally as legitimate products, whereas pass-off products are manufactured and packaged to resemble legitimate products. The sale of counterfeits of our products may lead to lower sales for our businesses. In addition, such products may contain substances that are harmful to consumers or may be less effective than our products, which could harm our brands and reputation. Products such as salt and tea that we offer are most susceptible to risks of counterfeit and passing-off. We have put in place internal processes and arrangements with external agencies to track and enforce our rights against manufacturers and sellers of such counterfeit, cloned and unauthorized products. The proliferation of unauthorized copies of our products, and the time in pursuing claims and complaints about spurious products could have an adverse effect on our reputation and our business.

31. We rely on licensing arrangements with Tata Sons Private Limited to use the "Tata" brand. Any improper use of the associated trademarks by the licensor or any other third parties could adversely affect our business, financial condition and results of operations.

Rights to trade names and trademarks are a crucial factor in marketing our products. Establishment of the “Tata” word mark and logo mark in and outside India is material to our operations. Our Company and Subsidiaries have been granted a non-exclusive and non-assignable subscription for the use of the “Tata” brand from Tata Sons Private Limited (“**Tata Sons**”). Our right to use the "Tata" name may be terminated by written agreement between the parties, by Tata Sons on six months’ notice in writing for reasons to be recorded, or by Tata Sons upon breach by our Company and/or Subsidiaries where either our Company and/or Subsidiary fails to rectify such breach within 30 days of receiving written notification of such breach from Tata Sons. Further, Tata Sons may terminate the agreement pursuant to which we use the "Tata" name immediate effect, on certain grounds including such as if our Company continues to be unprofitable for three years as a result of which no subscription is paid and if our Company is unable to secure and maintain necessary licenses required for its business. Any damage to the reputation of the “Tata” brand name could substantially impair our ability to maintain or grow our business. In addition, any action on the part of any of the companies in the Tata group that negatively impacts the “Tata” brand could have an adverse effect on our business, financial condition and results of operations.

32. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We maintain insurance policies for our business, which cover losses, including those arising from fire, accidents, cyber-attacks and calamities. With respect to losses which are covered by our policies, it may be difficult and may take us time to recover such losses from insurers. In addition, we may not be able to recover the full amount of losses from the insurer.

We could also be held liable for accidents that occur or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people on our premises, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, or which is not covered by insurance, or which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations and financial condition could be adversely affected.

33. ***A failure of our internal controls over financial reporting may have an adverse effect on our business, results of operations and financial condition.***

Our Company has an internal control mechanism with policies and procedures in place for the governance of its business, including adherence to the Company’s policies, safeguarding its assets, prevention, and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. Our Company also has an independent in-house Internal Audit department that functionally reports to the Chairman of the Audit Committee, thereby maintaining its objectivity. However, we are exposed to operational and financial risks arising from the potential inadequacy or failure of internal processes or systems in our businesses, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness.

Failures or material weaknesses in internal controls may lead to incidents of fraud. We cannot assure you that we will be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition.

34. ***We have certain contingent liabilities that have not been provided for in our financial statements, which could adversely affect our financial condition if they materialize.***

As of March 31, 2024, we had contingencies amounting to ₹ 96.32 crores, as set forth below:

Particulars	Amount (₹ in crore)
Taxes, Statutory Duties/ Levies etc	91.56
Commercial and other Claims	4.76
Total	**96.32**

For further information in relation to our contingent liabilities as of March 31, 2024, see “*Financial Statements*” on page

111. If these contingent liabilities materialize, they could adversely affect our business, results of operations and financial condition.

35. The complexity of our IT infrastructure could make us vulnerable to cybersecurity threats and the potential for system failures, which could negatively impact our business operations and financial stability.

Our operations involve the storage and transmission of proprietary information. We utilize information technology systems, managed both internally and by external IT service providers, that are integral to a wide array of our business operations. These operations encompass product formulation, development, sales, order processing, production, procurement, inventory management, quality assurance, cost analysis, human resources, distribution, and financial management. While our systems are designed with redundancy to provide resilience, they remain potentially vulnerable to interruptions arising from various unforeseen catastrophic events, including, but not limited to, fires, floods, power outages, telecommunication disruptions, natural disasters, unauthorized access, and other similar incidents. The occurrence of such events could result in temporary impediments to critical business functions like order processing, inventory management, and procurement, which may, in turn, affect our overall business continuity and operational efficiency.

There is potential for security breaches within our own information technology systems or those of third parties, which may arise from deliberate cyber-attacks, human error, or underlying vulnerabilities. Such breaches could lead to the unauthorized access to, or the disclosure, misuse, or loss of, sensitive data, including trade secrets. These incidents could disrupt our business operations and tarnish our reputation. Despite our investment in privacy and cybersecurity measures, there is no absolute guarantee that we can foresee, prevent, or fully mitigate the impact of all cyber threats, including viruses and other security weaknesses.

While we have dedicated resources to privacy and security capabilities, we may be unable to adequately anticipate, prevent, detect or remedy attacks, viruses and other vulnerabilities. Financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, adversely affecting our ability to process these transactions. Failure to comply with data security laws, maintain confidential information or protect our information technology systems may lead to significant financial, reputational or legal exposure which could harm our business, results of operations and financial condition.

36. We have in the past entered into related party transactions and will continue to do so in the future.

We have entered into transactions with several related parties in accordance with Ind AS and as per the SEBI LODR Regulations, the Companies Act and in accordance with our related party transaction policy, containing commercially reasonable terms, including in the preceding Fiscal. These transactions *inter alia* include the procurement of tea from Amalgamated Plantation Private Limited and Kanan Devan Hill Plantation Company Private Limited, which we believe were on an arm’s length basis. It is likely that we may enter into related party transactions in the future subject to compliance with the applicable law.

37. Our Promoter and Directors may be interested in companies engaged in similar lines of business as ours. Any conflict of interest that may occur as a result could adversely affect our business, results of operations and financial condition.

Our Directors may be appointed to the board of directors of companies engaged in similar lines of business as ours, and our Promoter may also acquire interest in companies in similar lines of business. These entities may provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures in the locations or segments in which we operate. A conflict of interest may occur between our business and the business of such entities, which could have an adverse effect on our business, results of operations and financial condition. We cannot assure you that such conflicts will not arise in future or that we will be able to duly resolve such conflicts, should they arise.

38. Any failure to maintain quality of our customer service and respond to customer complaints could adversely affect our market reputation, business and operating results.

Our business is significantly affected by the overall size of our customer base. Particularly in the context of our B2B business and institutional customers, this customer base is determined by our ability to provide quality customer service, among other things. If we fail to provide quality customer service, our customers may be less inclined to buy our products, or recommend us to new customers, and may choose to transact with our competitors instead. Failure to maintain the quality of customer services or satisfactorily resolve customer complaints, could harm our reputation and our ability to retain existing customers and attract new customers. In Fiscal 2024 and Fiscal 2023, we received an aggregate of 0.32 and 0.30 consumer complaints per million units, respectively. Further, negative customer feedback, complaints or claims against us in consumer forums or otherwise, can result in diversion of management attention and other resources, and invite regulatory action against us. Further, we may from time to time, be involved in litigation involving consumer claims, which may require us to expend resources in defense, and which may adversely affect our business operations, brand name and market reputation.

39. We have in this Letter of Offer included certain non-GAAP financial and operational measures and certain other

industry measures related to our operations and financial performance that may vary from any standard methodology. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance, which are EBITDA, EBITDA Margin, Net Worth, Return on net worth, Net Asset Value per Equity Share, Cost of Goods Sold, Cost of Goods Sold as a percentage of revenue from operations and Operating Cashflow to EBITDA, have been included in this Letter of Offer. These are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of similar companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these non-GAAP Measures between companies may not be possible. Other companies may calculate these non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Accordingly, these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other manufacturing companies.

40. Our Registered Office is located on leased premise, and is the subject matter of dispute. If our rights to properties from which we operate are challenged, we may have to vacate these premises, which may disrupt our operations to the extent of such relocation.

Our Registered Office is located at 1, Bishop Lefroy Road, Kolkata – 700 020 and was the subject of litigation between our Company and our lessor. By way of order of the Civil Judge (Senior Division), 4th Court, Alipore, South 24 Parganas dated January 21, 2023, our Company has been granted time until December 31, 2025 to vacate the premises. We intend to relocate our Registered Office and we cannot assure you that we will be able to relocate our office on same or similar terms, or without disruption to our operations. Our lease agreements may be subject to periodic escalation of rent payable, and may be subject to renewal at terms mutually agreed upon. Any lease agreements entered into by our Company can be terminated, and any such termination could result in any of these premises being shifted or shut down. In addition, sale or lease agreements are required to be duly registered and adequately stamped under Indian law. While we have not faced any such challenges in the past on account of our sale or lease agreement not being adequately stamped or duly registered under Indian law, if any of our property agreements are not duly registered and adequately stamped, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India subject to penalties along with the requisite stamp duty prescribed under applicable Indian law being paid.

41. We depend on third party transportation and logistics providers to transport raw materials and our products to distribution partners and customers. Any disruption in our transportation and logistics arrangements or increase transportation costs could adversely affect our business, results of operations and financial condition.

We rely on third party logistic providers to transport raw materials to our manufacturing units and our finished products to customers and distribution partners. Disruptions in our logistics and transportation arrangements could impair our ability to procure raw materials and/or deliver our products on time, which could adversely affect our business, results of operations and financial condition. We may also be affected by transportation strikes, which may affect our delivery schedules. If we are unable to secure alternate transportation and logistics arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected.

Further, except as disclosed in the "*Financial Statements- Note 39: Related Party Transactions*" on page 187, there is no conflict of interest between our third party logistic providers (crucial for our operations) and our Company, our Promoter, entities forming part of our Promoter Group, our Key Managerial Personnel, our Senior management, our Directors, our Subsidiaries and their respective directors and our Group Companies.

We are required to pay freight costs for transporting the products we sell. In Fiscal 2024 and Fiscal 2023, our expenses for freight were ₹ 687.42 crores and ₹ 633.64 crores, respectively, which constituted 4.52% and 4.60%, respectively, of our revenue from operations in these years. The freight expenses on raw material transport form part of our cost of raw materials consumed. We are subject to the risk of increases in freight costs, as well as disruptions to transportation arrangements and schedules owing to events such as the COVID pandemic and disruptions to container shipping traffic in the Red Sea. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses. While we believe we have adequately insured ourselves against the risk involved in transport, we may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents and/or loss of our products in transit. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, results of operations and financial condition.

42. We have included certain industry information in this Letter of Offer from an industry report prepared by CRISIL MI&A and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

Certain industry and market data used in this Letter of Offer has been derived from the industry report titled '*Industry report on global consumer food & beverages market with a focus on India*' released in Mumbai in June 2024 (the "**CRISIL Report**") prepared and issued by CRISIL MI&A. Information from the CRISIL Report has been included to enable investors to understand the industry in which we operate, in connection with the Issue. Our Company, our Promoter, and our Directors are not related to CRISIL MI&A. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Prospective investors are advised not to unduly rely on the CRISIL Report or extracts thereof as included in this Letter of Offer while making their investment decisions. The CRISIL Report may be subject to various limitations and based upon certain assumptions, parameters and conditions that are subjective in nature. We cannot assure you that information in the CRISIL Report is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates, projections, forecasts and assumptions are subject to change, and actual amounts may differ materially from those included in this Letter of Offer. You should consult your own advisors and undertake an independent assessment of information in this Letter of Offer based on, or derived from, the CRISIL Report.

43. Urbanization around our manufacturing facilities could have an adverse effect on our operations.

Certain of our manufacturing facilities are predominantly established in rural areas, while some are located in the fringes of urban locations. Any uncontrolled migration around our manufacturing facilities could lead to the proliferation of overpopulated areas, which can trigger pollution and social instability. Additionally, expansion of cities and relocation of the populace may bring residential areas close to our manufacturing facilities, which may give rise to health and safety concerns stemming from pollution and waste material. Increasing population or urbanisation around our manufacturing facilities may force us to move our manufacturing facilities to more suitable locations, incurring substantial costs, which in turn would have an adverse effect on our operations.

44. Information relating to the capacity and capacity utilization of our production facilities included in this Letter of Offer is based on third party certificates as well as on various assumptions and estimates and future production and capacity may vary.

Information relating to the capacity and capacity utilization of our manufacturing units included in this Letter of Offer is based on our internal calculations, and has been certified by an independent chartered engineer, Kanti Karamsey & Co. Advisors LLP, Chartered Engineer, as well as on various assumptions including those relating to availability of raw materials and operational efficiencies. Actual production levels and rates may differ significantly from the estimated production capacities and capacity utilization rates. In addition, capacity utilization is calculated differently in different countries, industries and for the kinds of products we manufacture. Undue reliance should therefore not be placed on the capacity information for our existing manufacturing units included in this Letter of Offer.

45. We are dependent on our Directors, Key Managerial Personnel and Senior Management. Any loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations and financial condition.

We are dependent on our Directors and other Key Managerial Personnel, Senior Management as well as persons with technical expertise for setting our strategic business direction and managing our business. We believe that the inputs and experience of our Directors are valuable for the development of our business and operations and the strategic directions taken by our Company. We cannot assure the you that we will be able to retain these Directors and other Key Managerial Personnel, Senior Management or find adequate replacements in a timely manner, or at all. Any loss or interruption in the services of our Key Management Personnel or Senior Management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives. Our ability to meet continued success and address future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals and retain our sales and marketing professionals. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. The loss of the services of any key personnel, our inability to recruit or train a sufficient number of experienced personnel, or our inability to manage the attrition levels in different employee categories, may have an adverse effect on our business, results of operations and financial condition.

46. Our operations depend on our ability to attract and retain employees and skilled workers. Moreover, we may be subject to labour disputes which could adversely affect our business, results of operations and financial condition.

Our ability to remain productive, profitable and competitive and implement our planned growth initiatives depends on our ability to attract and retain skilled employees and workers. While we make efforts to retain key employees and to recruit new workers to adequately meet demands in projects, the loss of a number of workers, employment of our employees subsequently by our competitors, or inability to attract additional workers may have an adverse impact on our business, results of operations and financial condition. There can be shortages of labour that make it challenging to recruit employees with relevant industry and technical experience who are willing to relocate or endure such conditions. Cyclical labour shortages, combined with a high industry turnover rate and growing number of competing companies, may affect our ability to continue with or expand our operations and may adversely impact our financial performance. Shortage of skilled labour could increase in training costs and adversely affect our safety record. Each of these factors could adversely impact our revenue and, if costs increase or productivity decline, our operating margins.

We cannot assure you that we will not experience disruptions in our work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. Further, we may face strikes, lockouts or other disruptions to our operations. Our third-party suppliers and manufacturers may experience strikes or other labour disruptions and shortages that could affect their operations and consequently our ability to produce the volume of products we require. Work stoppages can result in significant disruptions or delays in our ability to complete deliveries. Certain of our employees and workers are unionized, and while there have been no material industrial disputes in the two preceding Fiscals, a labour dispute can be difficult to resolve and may require us to seek arbitration for resolution, which can be time-consuming, distracting to management, expensive and difficult to predict.

***47. We appoint contract labourers for certain functions and locations, and we cannot assure you that such contract labourers will not be deemed to be employees under Indian law*.**

We appoint independent third party contractors for certain functions and locations who, in turn may engage on-site contract labourer to perform certain operations in accordance with the scope of the relevant contracts. As of March 31, 2024, we had engaged 2,597 contract labourers, excluding plantation workers. Although we do not engage these laborers directly, is possible under Indian law that we may be held responsible for wage payments to laborers engaged by contractors, should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial conditions, cash flows and results of operations. Further, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be directed to absorb some of these contract labourers as our employees. Any such order from a court or any other regulatory authority, or any violation of the provisions of laws pertaining to contract labour, may adversely affect our business, cash flows and results of operations.

48. We are exposed to market risk that could impair the value of our investment portfolio and adversely affect our business, results of operations and financial condition.

We operate defined benefits pension plans in India and UK. The defined benefit schemes in India and the UK, which are closed for future accruals, offer specified benefits to the employees on retirement. We also provide for gratuity for employees in India covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service.

These pension and other benefit plans maintain investments such as mutual funds, among others, to meet their pay-out obligations. Changes in prevailing interest rates or market conditions could affect investment returns, which in turn could affect the performance of these plans, and require us to make additional provisions for performance of their obligations. Even though an increase in interest rates could result in an increase in investment returns on our newly added fixed income assets, it could also result in a reduction in the value of our existing fixed income assets reducing the mark-to-market value of such instruments. Interest rates are highly sensitive to inflation and other factors including, government monetary and tax policies, domestic and international economic and political considerations, regulatory requirements and other factors beyond our control. Any adverse effect on the factors affecting equity markets in India could affect our investment returns, which in turn could affect our results of operations, financial condition and prospects.

49. Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition.

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our businesses and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend decisions in future or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

50. Our Promoter and Directors may have interests in our business other than reimbursement of expenses incurred or

normal remuneration or benefits.

Our Promoter and Directors may be deemed to be interested in our business other than reimbursement of expenses incurred or normal remuneration, commission or benefits owing to their shareholding in our Company, any guarantees extended by them, or other transactions they may separately enter into with our Company. We cannot assure you that conflicts of interest will not arise owing to such interest in our Company, or that any conflict will be resolved in our shareholders' best interests.

EXTERNAL RISK FACTORS

51. Our business, results of operations and cash flows is substantially affected by prevailing economic, political and other conditions in emerging and global markets.

The Indian economy and securities markets are influenced by economic, political and market conditions in India and globally, including adverse geopolitical conditions. We are incorporated in India, and a substantial amount of our operations are located in India and overseas. As a result, we are highly dependent on prevailing economic conditions in India and the other emerging and global markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in the region or globally;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets;
- disruption of supply chain and logistics arrangements; and
- other significant regulatory or economic developments in or affecting India or the emerging and global markets.

In addition, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging and global market, or in specific sectors of such economies, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

52. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the economy of countries globally and our business, financial condition and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.

Several countries have experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the global economy which, in turn, could adversely affect our business, and may damage or destroy our borrowers' assets or projects. Any of these natural calamities could adversely affect our business, results of operations and financial condition. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, had caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

53. Changing laws, rules and regulations and legal uncertainties, including the withdrawal of certain benefits or adverse application of tax laws, may adversely affect our business, prospects, results of operations and cash flows. Further, failure to comply with the existing laws and regulations applicable to our business could subject our Company to enforcement actions and penalties and otherwise harm our business.

In India, our business is governed by various laws and regulations including, amongst others, the Food Safety and Standards Act, 2006, the Legal Metrology Act, 2009, the Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and various laws relating to employment. Environmental laws and regulations have been increasing in stringency and it is possible that they will become significantly more stringent in the future. For instance, laws regarding data privacy and bans on single use plastics have been implemented, the latter of which creates producer responsibility for plastic packaging. Any failure or alleged failure to comply with the applicable laws, regulations or requirements could subject us to inspection, enforcement actions and penalties imposed by authorities.

Our business could be adversely affected by any change in laws or interpretation of existing laws, or promulgation of new laws, rules and regulations applicable to us. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations and cash flows. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

54. ***In the event we undertake future acquisitions, mergers or similar corporate actions, we may potentially be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business, results of operations and financial condition.***

The Competition Act, 2002 ("**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition ("**AAEC**") is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations ("**Combination Regulations**") require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the Competition Commission of India has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We do not have any outstanding notices in relation to non-compliance with the Competition Act or the agreements entered into by us.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was notified on April 11, 2023, which amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. These amendments include the introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a "combination", expedited merger review timelines, codification of the lowest standard of "control" and enhanced penalties for providing false information or a failure to provide material information. Such amendment to the Competition Act will result in additional costs for compliance, which in turn may adversely affect our business, results of operations, cash flows and prospect.

55. ***Fluctuation of the Rupee against foreign currencies may have an adverse effect on the price of the Equity Shares.***

Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity shareholders. For example, the exchange rate between the Rupee and the U.S. Dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

56. Any downgrade in debt ratings of India by an independent agency, may affect our financial performance and the trading price of the Equity Shares.

India's sovereign debt rating could be downgraded by domestic or international rating agencies due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact the exchange rates of all major currencies with the Indian Rupee as well as our ability to raise additional external financing, and the interest rates and other commercial terms of such additional external financing. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

57. Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The Audited Consolidated Financial Statements included in this Letter of Offer have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, as per the SEBI ICDR Regulations included in this Letter of Offer, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should be limited accordingly.

58. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.

Indian laws and legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

59. Investors may not be able to enforce a judgment of a foreign court against us.

We are incorporated under the laws of India and a majority of our Directors, Key Management Personnel and Senior Management reside in India. Most of our assets, and the assets of certain of our Directors, Key Management Personnel and Senior Management, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 ("**CPC**"). Further, the CPC only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a similar nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognized as a reciprocating territory by India, cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. As a result, the investor may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws. In addition, the regulatory regime of our various international territories may have similar restrictions on enforcement of foreign judgments.

RISKS RELATING TO THE ISSUE

60. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

Our Company has opened a separate demat suspense escrow account (namely, "LIIPL TATA CONSUMER RIGHTS 2024 ESCROW DEMAT ACCOUNT") ("**Demat Suspense Account**") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("**IEPF**") authority; or which of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed/ suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons.

Our Company shall credit the Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are required to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner and such lapsing of Rights Entitlement may dilute and adverse impact the interest of certain Eligible Equity Shareholders. For details, please see "*Terms of the Issue*" on page 835.

61. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Objects of the Issue*" on page 55. However, the deployment of the Gross Proceeds will be monitored by the Monitoring Agency, CARE Rating Limited.

62. ***The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Rights Equity Shares until they provide details of their demat account and Rights Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

In accordance with the SEBI ICDR Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further information, see "*Terms of the Issue*" on page 835.

63. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of our Equity Shares will not decline below the Issue Price. To the extent the market price for our Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

64. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 835.

65. Our Company will not distribute the Letter of Offer and other Issue related materials to overseas shareholders who have not provided an address in India for service of documents.

We will not distribute the Issue Material to the shareholders who have not provided an address in India for service of documents. The Issue Material will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In the case that Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in the case that such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its shareholders to provide an address in India for the purposes of distribution of Issue Material, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

66. Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues.

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to overseas holders of the Equity Shares or in disposing of such rights for the benefit of such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

67. ***Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Rights Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Rights Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Rights Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

68. ***Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further equity shares or that the shareholders will not dispose of, pledge, or otherwise encumber their equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

69. ***The Rights Equity Shares may experience price and volume fluctuations.***

The market price of the Rights Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the stock exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Rights Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Rights Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

70. ***No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares.

71. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between nonresidents and residents and issuances of shares to non-residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required. We have undertaken or recorded such transactions in the past based on a *bona fide* interpretation of the law. We cannot assure you that our interpretation would be upheld by the Indian regulators. Any change in such interpretation could impact the ability of our Company to attract foreign investors.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

72. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of our Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. In accordance with the provisions of the Companies Act the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company. Further, Section 106(1) of the Companies Act read with the Articles of Association specifically provides that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid.

73. You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares.

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Additionally, a securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gains realized on the sale of equity shares held for more than 12 months are subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, *inter alia*, subject to payment of STT. Further, any capital gains realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Rights Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Rights Equity Shares.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Rights Equity Shares.

74. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by the company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

SECTION III: INTRODUCTION

SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, the sections entitled "*Risk Factors*", "*Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Outstanding Litigation and Defaults*" and "*Financial Statements*" beginning on pages 16, 52, 55, 95, 820 and 111, respectively.

Primary Business of the Issuer

We are a food and beverage company with a diversified product portfolio and are present in multiple geographies globally. We classify our operations into branded business, non-branded business and businesses we conduct through our joint ventures and associates. For further details, please see "*Our Business - Overview*" on page 95.

Industry Overview

The global food and beverages ("**F&B**") market is expected to reach $12.5 trillion - $13 trillion growing at a CAGR of 4%-5% by 2027 backed by key factors including increasing urbanization and disposable income in developing countries, rising demand for convenient and healthy food options, and growing popularity of e-commerce for food and beverage purchases. The Indian F&B segment of the FMCG industry is expected to grow at a CAGR of 8% - 10% from Fiscal 2024 to Fiscal 2028, increasing in size to ₹ 12.6 trillion - ₹ 13.6 trillion. (*Source: CRISIL Report*). For further details, please see "*Industry Overview*" beginning on page 70.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

(in ₹ crore)

Particulars	Estimated amount**
Repayment in full or buyback of the commercial papers issued/refinanced by our Company for financing the acquisitions of the Acquired Companies	Up to 2,940
General corporate purposes*	37.28
Total Net Proceeds**	2,977.28

**Subject to finalisation of the Basis of Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Issue Proceeds.*
*** Assuming full subscription in the Issue and subject to finalisation of Basis of Allotment.*

For further details, please see *"Objects of the Issue"* beginning on page 55.

Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; and (ii) their intention to subscribe over and above their rights entitlement

Our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and they will not renounce their Rights Entitlements, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoter for the purpose of complying with minimum public shareholding norms prescribed under the SCRR. Further, our Promoter confirmed that during the Issue Period, they intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue. Our Promoter Group, to the extent that they hold Equity Shares in the Company, have confirmed to either (i) subscribe to the full extent of their respective Rights Entitlements in the Issue, or (ii) renounce, any or all, of their Rights Entitlements in the Issue in favour of our Promoter.

The acquisition of Rights Equity Shares by our Promoter and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of outstanding litigation and defaults

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer is set forth in the table below:

Name of entity	Proceedings involving issues of moral turpitude or criminal liability	Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Tax proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Proceedings before regulatory authorities involving material violations of statutory regulations	Matters involving economic offences where proceedings have been initiated	Other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position	Aggregate amount involved (₹ in crore)*
Company							
By our Company	3	Nil	Nil	Nil	Nil	Nil	10.80
Against our Company	3	Nil	Nil	Nil	Nil	2	171.83
Subsidiaries							
By our Subsidiaries	5	Nil	Nil	Nil	Nil	Nil	0.32
Against our Subsidiaries	1	Nil	Nil	Nil	Nil	1	Not quantifiable

**To the extent quantifiable*

For further details, see "*Outstanding Litigation and Defaults*" beginning on page 820.

Risk Factors

For details, see "*Risk Factors*" beginning on page 16. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent liabilities

For details regarding our contingent liabilities as per Ind AS 37 as at March 31, 2024, see "*Financial Statements* " on page 111.

Related party transactions

For details regarding our related party transactions as per Ind AS 24 entered into by our Company for Fiscal 2024 and Fiscal 2023, see "*Other Financial Information – Related Party Transactions*" on page 793.

Issue of Equity Shares for consideration other than cash

Other than 2,38,23,166 Equity Shares issued and allotted by our Company on January 19, 2024, pursuant to the composite scheme of arrangement amongst our Company, erstwhile Tata Coffee Limited, Tata Coffee Limited (erstwhile TCPL Beverages & Foods Limited), their respective shareholders and creditors, our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of this Letter of Offer.

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on January 19, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Capital Raising Committee at its meeting held on July 23, 2024.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled "*Terms of the Issue*" beginning on page 835.

Rights Equity Shares being offered by our Company	Up to 3,66,47,492* Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	1 (One) Rights Equity Share for every 26 (Twenty-six) Equity Shares held on the Record Date
Record Date	July 27, 2024
Face Value per Equity Share	₹1 each
Issue Price	₹818.00 per Rights Equity Share (including a premium of ₹817.00 per Rights Equity Share)
Dividend	Such dividend, as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law
Issue Size	₹2,997.77* crore
Equity Shares issued, subscribed, paid-up and outstanding prior to the Issue	95,28,34,816 Equity Shares. For details, see "*Capital Structure*" beginning on page 52
Equity Shares outstanding after the Issue	98,94,82,308 Equity Shares
Security Codes for the Equity Shares	ISIN for Equity Shares: INE192A01025 BSE: 500800 NSE: TATACONSUM CSE: 27 (Physical); and 10000027 (Demat)
ISIN for Rights Entitlements	INE192A20017
Terms of the Issue	For further information, see "*Terms of the Issue*" beginning on page 835
Use of Issue Proceeds	For further information, see "*Objects of the Issue*" beginning on page 55

**Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.*

For details in relation to fractional entitlements, see *"Terms of the Issue – Basis for this Issue and Terms of this Issue – Fractional Entitlements*" on page 850.

Terms of Payment

Due Date	Face Value (₹)	Premium (₹)	Total amount payable per Rights Equity Share (including premium)(₹)
On Application (i.e., along with the Application Form)	1	817	818

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GENERAL INFORMATION

Our Company was originally incorporated as 'Tata Finlay Private Limited' on October 18, 1962, as a company limited by shares under the Companies Act, 1956 pursuant to a certificate of incorporation dated October 18, 1962 issued by the registrar of companies, Maharashtra at Bombay. Further, our company was converted into a deemed public limited company with effect from July 9, 1963. Subsequently, the name of our Company was changed to 'Tata Tea Limited' and a fresh certificate of incorporation consequent on change of name dated February 28, 1983 under the Companies Act, 1956 was issued by the Assistant Registrar of Companies, West Bengal at Calcutta. The registered office address of our Company was also changed to 1, Bishop Lefroy Road, Kolkata 700 020, West Bengal, India, in 1977, due to administrative convenience. Thereafter, the name of our Company was changed to 'Tata Global Beverages Limited' and a fresh certificate of incorporation consequent upon change of name dated July 2, 2010 under the Companies Act, 1956 was issued by the deputy registrar of companies, West Bengal at Kolkata. Further, the name of our Company was changed to 'Tata Consumer Products Limited' and a fresh certificate of incorporation consequent upon change of name dated February 10, 2020 under the Companies (Incorporation) Rules, 2014 was issued by the RoC.

Registered Office

1, Bishop Lefroy Road
Kolkata 700 020
West Bengal, India

Corporate Office

11/13, Botawala building
1st floor, Office #2-6 Horniman Circle Fort
Mumbai 400 001
Maharashtra, India

Corporate Identity Number: L15491WB1962PLC031425

Registration Number: 031425

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, West Bengal at Kolkata

Nizam Palace, 2nd MSO Building
2nd Floor, 234/4, A.J.C. Bose Road
Kolkata 700 020
West Bengal, India

Company Secretary and Compliance Officer

Delnaz Harda is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

Delnaz Harda
11/13, Botawala building
1st floor, Office #2-6 Horniman Circle Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 22 6121 8400
E-mail: investor.relations@tataconsumer.com

Lead Managers to the Issue

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C – 27
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: TCPL.rights@kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Website: https://investmentbank.kotak.com

Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Axis Capital Limited
1st floor, Axis House
C-2, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: tataconsumer.rights@axiscap.in
Website: www.axiscapital.co.in
Investor grievance ID: complaints@axiscap.in
Contact person: Pratik Pednekar
SEBI Registration No.: INM000012029

HSBC Securities and Capital Markets India Private Limited
52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001
Maharashtra, India
Tel: +91 22 6864 1289
E-mail: tcplrights@hsbc.co.in
Website: https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market
Investor grievance ID: investorgrievance@hsbc.co.in
Contact person: Rishi Tiwari, Sumant Sharma
SEBI Registration No.: INM000010353

Legal Counsel to our Company as to Indian Law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455

Statutory Auditors of our Company

Deloitte Haskins & Sells LLP
One International Center, Tower – 3, 32nd Floor
Senapati Bapat Marg, Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 6185 4000
E-mail: spilgaonkar@deloitte.com
Firm Registration Number: 117366W/W-100018
Peer Review Certificate Number: 013179

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
E-mail: tcpl.rights2024@linkintime.co.in
Investor Grievance ID: tcpl.rights2024@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "*Terms of the Issue*" beginning on page 835.

Experts

Our Company has received written consent from the Statutory Auditors, namely Deloitte Haskins & Sells LLP, through their letter dated July 23, 2024, to include their name as required under Section 26(5) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of and inclusion of (i) their audit report dated April 23, 2024, in respect of the Audited Consolidated Financial Statements as at and for the Financial Year ended March 31, 2024, and (ii) the statement of possible special tax benefits available to our Company and its shareholders dated July 1, 2024, and such consent has not been withdrawn as of the date of this Letter of Offer. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Our Company has received written consent dated July 1, 2024, from Barnes Roffe LLP, to include their name as required under Section 26(5) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of and inclusion of the statement of possible special tax benefits available to our Material Subsidiaries dated July 1, 2024, and such consent has not been withdrawn as of the date of this Letter of Offer.

Our Company has received written consent dated July 1, 2024, from Murali and Sumeet, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name in this Letter of Offer, as required under Section 26(5) of the Companies Act, 2013, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in their capacity as an Independent Chartered Accountant to our Company.

Our Company has received written consent dated July 22, 2024, from Kanti Karamsey & Co. Advisors LLP, chartered engineer, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Letter of Offer and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate dated July 22, 2024, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities and such consent has not been withdrawn as of the date of this Letter of Offer.

Banker to the Issue

Axis Bank Limited
Axis House, 6th Floor
C – 2, Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai – 400 025
Maharashtra, India
Tel: +91 22 2425 3672
E-mail: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact Person: Vishal M. Lade
SEBI Registration No.: INBI00000017

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Last Date for credit of Rights Entitlements	Friday, August 2, 2024
Issue Opening Date	**Monday, August 5, 2024**
Last date for On Market Renunciation of Rights Entitlements #	Monday, August 12, 2024
Issue Closing Date*	**Monday, August 19, 2024**
Finalization of Basis of Allotment (on or about)	Friday, August 23, 2024
Date of Allotment (on or about)	Monday, August 26, 2024
Date of credit of Rights Equity Shares (on or about)	Wednesday, August 28, 2024
Date of listing (on or about)	Friday, August 30, 2024

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* *Our Board or the Capital Raising Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Managers.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their valid and correct demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, Monday, August 19, 2024, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Monday, August 19, 2024. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e. www.linkintime.co.in/EmailReg/Email_Register.html*). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms duly complete in all respect and duly signed as per signature recorded with the Company or the Registrar are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see "*Terms of the Issue – Process of making an Application in the Issue*" on page 837.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.linkintime.co.in after keying in their respective details along with other security control measures implemented thereat. For further details, see "*Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 847.

Please note that if no valid Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

Inter se allocation of responsibilities

The following table sets forth the responsibilities of the Lead Managers for various activities in relation to the Issue:

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	Kotak, Axis, HSBC	Kotak
2.	Coordination for drafting and design of the Letter of Offer as per the SEBI ICDR Regulations, SEBI LODR Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI	Kotak, Axis, HSBC	Kotak
3.	Drafting, design and distribution of the Abridged Letter of Offer, Application Form, Rights Entitlement Letter etc. and memorandum containing salient features of the Letter of Offer	Kotak, Axis, HSBC	Kotak
4.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, escrow bank, advertisement agencies, and Monitoring Agency and coordination of execution of related agreements	Kotak, Axis, HSBC	Kotak
5.	Drafting and approval of all statutory advertisements	Kotak, Axis, HSBC	Kotak
6.	Drafting and approval of all publicity material including corporate advertisement, brochures, corporate films, etc.	Kotak, Axis, HSBC	HSBC
7.	Formulating and coordination of international marketing strategy, updation of presentation and issue structuring	Kotak, Axis, HSBC	HSBC
8.	Formulating and Coordination of International and Domestic Institutional marketing strategy	Kotak, Axis, HSBC	Kotak
9.	Formulating retail strategy which will cover, inter alia, distribution of publicity and Issue materials including application form, brochure and Letter of Offer and coordination for queries related to retail investors	Kotak, Axis, HSBC	Axis
10.	Formalities for use of online software with stock exchanges	Kotak, Axis, HSBC	Axis
11.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Banker to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, finalization of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected	Kotak, Axis, HSBC	Axis

S. No.	Activity	Responsibility	Coordination
	with the post-issue activity such as Registrar to the Issue, Banker to the Issue, SCSBs, etc., and coordination for underwriting arrangement, if any		

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed CARE Ratings Limited to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

CARE Ratings Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road, Off Eastern Express Highway
Sion (East), Mumbai 400 022
Maharashtra, India
Tel: +91 22 6754 3456
Contact Person: Nitin Kumar Dalmia
E-mail: nitin.dalmia@careedge.in
Website: https://www.careratings.com/

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

The object of the Issue involves (i) repayment in full or buyback of the commercial papers issued/refinanced by our Company for financing the acquisitions of Capital Foods Private Limited and Organic India Private Limited, and (ii) general corporate purposes. Further, our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and they will not renounce their Rights Entitlements, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoter for the purpose of complying with minimum public shareholding norms prescribed under the SCRR. Further, our Promoter confirmed that during the Issue Period, they intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue. Our Promoter Group, to the extent that they hold Equity Shares in the Company, have confirmed to either (i) subscribe to the full extent of their respective Rights Entitlements in the Issue, or (ii) renounce, any or all, of their Rights Entitlements in the Issue in favour of our Promoter. Accordingly, in terms of the proviso to Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

The acquisition of Rights Equity Shares by our Promoter and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Any participation by our Promoters and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Underwriting

This Issue is not underwritten.

Filing

This Letter of Offer is being filed with the Stock Exchanges and SEBI as per the provisions of the SEBI ICDR Regulations. Further, Our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI Intermediary Portal at www.sipotal.sebi.gov.in, in accordance with SEBI ICDR Master Circular.

Exemption Application

Our Company filed an exemption application with SEBI dated April 5, 2024 seeking an exemption under Regulation 300(1)(c) from the strict enforcement of Regulation 99(b) of the SEBI ICDR Regulations read with the SEBI master circular, bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 ("**Exemption Application**"), seeking permission to enable our Company to undertake the Issue through 'fast track route'. In terms of Regulation 99(b) of the SEBI ICDR Regulations, the entire shareholding of the promoter group of the Company is required to be held in dematerialised form on the reference date. As on date, our Promoter holds 27,05,57,128 equity shares of which 57 equity shares are in physical form and could not be dematerialized. These shares were allotted to our Promoter in physical form in exchange for 50 shares of Tata Chemicals Limited held by our Promoter which are disputed, and the matter is currently sub-judice before the High Court of Calcutta. On May 31, 2024, SEBI granted the exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from dematerialisation of the 57 Equity Shares held by the Promoter for undertaking the Issue through fast-track route as prescribed under Regulation 99(b) of the SEBI ICDR Regulations.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer and the details of the Rights Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue is as set forth below:

(In ₹, except share data)

	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	150,00,00,000 Equity Shares	150,00,00,000	NA
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	95,28,34,816 Equity Shares	95,28,34,816	NA
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**		
	Up to 3,66,47,492 Rights Equity Shares(1)	Up to 3,66,47,492	Up to 29,97,76,48,456
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE(1)(2)**		
	Issued share capital		
	98,94,82,308 Equity Shares	98,94,82,308	NA
	Subscribed and paid-up share capital		
	95,28,34,816 fully paid-up Equity Shares	95,28,34,816	NA
	3,66,47,492 Rights Equity Shares	Up to 3,66,47,492	NA
SECURITIES PREMIUM ACCOUNT		*(in ₹ crore)*	
Before the Issue		7,000.93	
After the Issue (2)		9,995.03	

(1) *The Issue has been authorised by our Board pursuant to a resolution dated January 19, 2024. The terms of the Issue including the Record Date and Rights Entitlement ratio, have been approved by the Capital Raising Committee pursuant to a resolution dated July 23, 2024.*

(2) *Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.*

Notes to the Capital Structure

1. **Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations**

   a) The shareholding pattern of our Company as on March 31, 2024, can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/tata-consumer-products-ltd/tataconsum/500800/shareholding-pattern/, NSE at https://www.nseindia.com/get-quotes/equity?symbol=TATACONSUM; and CSE at https://listingcompliance.cse-india.com/xbrl/DisplayRegulations#;

   b) The statement showing holding of Equity Shares of persons belonging to the category "*Promoter and Promoter Group*" including the details of lock-in, pledge of and encumbrance thereon, as on March 31, 2024, can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=500800&qtrid=121.01&QtrName=31-Mar-24, NSE at https://www.nseindia.com/get-quotes/equity?symbol=TATACONSUM; and CSE at https://listingcompliance.cse-india.com/xbrl/DisplayRegulations#; and

   c) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2024, as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=500800&qtrid=121.01&QtrName=31-Mar-24, NSE at https://www.nseindia.com/get-quotes/equity?symbol=TATACONSUM; and CSE at https://listingcompliance.cse-india.com/xbrl/DisplayRegulations#.

2. Except as disclosed below, no Equity Shares have been acquired by our Promoter or members of our Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.

   a) Pursuant to the order passed by the National Company Law Tribunal, Mumbai, sanctioning the scheme of arrangement between the TMF Business Services Limited (formerly known as Tata Motors Finance Limited) and Tata Motors Finance Limited (formerly known as Tata Motors Finance Solutions Limited) and their respective shareholders, 11,468 Equity Shares held by TMF Business Services Limited (formerly known as Tata Motors Finance Limited) have been transferred to Tata Motors Finance Limited (formerly known as Tata Motors Finance Solutions Limited) on December 18, 2023.

3. Except as disclosed below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.

TCPL SLTI Scheme 2021

TCPL SLTI Scheme 2021 was approved by our Shareholders pursuant to their resolution dated December 28, 2021.

The details of grants, exercise and lapse of units under TCPL SLTI Scheme 2021, as on the date of this Letter of Offer are as follows:

Particulars	TCPL SLTI Scheme 2021
Units granted	4,43,526
Units vested	100
Units exercised	-
Units forfeited/lapsed	(43,105)
Money realized by exercise of units	-
Total number of units in force	4,00,321

TCPL SLTI Scheme 2024

TCPL SLTI Scheme 2024 was approved by our Shareholders pursuant to their resolution dated May 4, 2024.

The details as to grants, exercise and lapse of units under TCPL SLTI Scheme 2024, as on the date of this Letter of Offer are as follows:

Particulars	TCPL SLTI Scheme 2024
Units granted	Nil
Units vested	Nil
Units exercised	Nil
Units forfeited/lapsed	Nil
Money realized by exercise of units	Nil
Total number of units in force	Nil

All the units of the TCPL SLTI Schemes were granted to employees of our Company and our Subsidiaries on the date of such grants. Further, all grant of units under the TCPL SLTI Schemes are in compliance with the Companies Act, 2013.

4. **GDRs Issued**

The GDR program of our Company has been terminated with effect from June 23, 2023 pursuant to the termination notice received from the Deutsche Bank Trust Company Americas. Accordingly, the GDRs have been delisted from the London Stock Exchange and the Luxembourg Stock Exchange with effect from July 26, 2023, and June 24, 2023, respectively. For further details see "*Notice to Investors – Notice to GDR Holders*" on page 10.

5. **Intention and extent of participation by our Promoter and Promoter Group**

Our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and they will not renounce their Rights Entitlements, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoter for the purpose of complying with minimum public shareholding norms prescribed under the SCRR. Further, our Promoter confirmed that during the Issue Period, they intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in the Issue. Our Promoter Group, to the extent that they hold Equity Shares in the Company, have confirmed to either (i) subscribe to the full extent of their respective Rights Entitlements in the Issue, or (ii) renounce, any or all, of their Rights Entitlements in the Issue in favour of our Promoter.

The acquisition of Rights Equity Shares by our Promoter and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

6. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 1,100.43 per Equity Share.

7. Our Company shall ensure that any transaction in the specified securities by our Promoter and members of our Promoter Group during the period between the date of filing this Letter of Offer with the Stock Exchanges and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

8. At any given time, there shall be only one denomination of the Equity Shares of our Company.

9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid-up. For further details on the terms of the Issue, please see "*Terms of the Issue*" on page 835.

10. **Details of the Equity Shareholders holding more than 1% of the issued and paid-up Share Capital**

The table below sets forth details of Equity Shareholders holding more than 1% of the issued and paid-up Share Capital of our Company, as of July 19, 2024:

Sr. No	Name of the Equity Shareholders	Number of Equity Shares held*	Percentage of Equity Shares held (%)
1.	Tata Sons Private Limited	27,05,57,128	28.40
2.	Life Insurance Corporation of India	7,96,99,372	8.36
3.	Tata Investment Corporation Ltd	4,42,73,001	4.65
4.	SBI Nifty 50 ETF	1,32,02,331	1.39
5.	First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability Fund	1,28,95,772	1.35
6.	Nippon Life India Trustee Ltd- A/C Nippon India Small Cap Fund	1,19,67,623	1.26
7.	Government of Singapore	1,11,53,440	1.17

** The Equity Shares held under distinct folio numbers by Shareholders holding the same PAN are considered as Equity Shares held by a single Shareholder.*

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Repayment in full or buyback of the commercial papers issued/refinanced by our Company for financing the acquisitions of the Acquired Companies; and
2. General corporate purposes.

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable our Company to undertake (i) its existing business activities; and (ii) activities for which the commercial papers were issued/refinanced and which are proposed to be repaid from the Net Proceeds.

Issue Proceeds

The details of the Issue Proceeds are summarized in the table below:

(in ₹ crore)

Particulars	Estimated amount
Gross proceeds from the Issue*	2,997.77
Less: Estimated Issue related expenses**	20.49
Net Proceeds**	2,977.28

* *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

** *Estimated and subject to change for factors. See "- Estimated Issue Related Expenses" on page 59.*

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(in ₹ crore)

Particulars	Estimated amount**
Repayment in full or buyback of the commercial papers issued/refinanced by our Company for financing the acquisitions of the Acquired Companies	Up to 2,940.00
General corporate purposes*	37.28
Total Net Proceeds**	2,977.28

**Subject to finalisation of Basis of Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

*** Assuming full subscription in the Issue and subject to finalisation of Basis of Allotment.*

Proposed Schedule of Implementation and Deployment of funds

We propose to deploy the Net Proceeds towards the object of the Issue in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ crore)

Particulars	Amount proposed to be funded from the Net Proceeds	Proposed schedule for deployment of the Net Proceeds in Fiscal 2025
Repayment in full or buyback of the commercial papers issued/ refinanced by our Company for financing the acquisitions of the Acquired Companies	Up to 2,940.00	Up to 2,940.00
General corporate purposes*	37.28	37.28
Total**	**2,977.28**	**2,977.28**

**Subject to finalisation of Basis of Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

*** Assuming full subscription in the Issue and subject to finalisation of Basis of Allotment.*

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein in Fiscal 2025. However, if the Net Proceeds are not completely utilised for the objects stated above by Fiscal 2025, due to various factors beyond our control, the remaining Net Proceeds would be utilised (in part or in full) in the subsequent Fiscals as may be decided by the management of our Company, in accordance with applicable law.

Additionally, the funding requirement mentioned above is based on the internal management estimates of our Company. It is based on the current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. If additional funds are required for fulfilling the objects of the Issue, such requirement shall be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Means of Finance

The entire requirement of funds towards object of the Issue will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals as required under Regulation 62(1)(c) of the SEBI ICDR Regulations.

Details of the objects to be financed from the Net Proceeds

The details in relation to objects of the Issue are set forth herein below.

I. ***Repayment in full or buyback of the commercial papers issued/refinanced by our Company for financing the acquisitions of the Acquired Companies***

In order to finance the acquisitions of the Acquired Companies, our Company has issued/ refinanced the following commercial papers, which are listed on NSE:

a) commercial papers of an aggregate amount of up to ₹1,200.00 crore for financing the acquisitions of 75% of the equity share capital of Capital Foods Private Limited; and

b) commercial papers of an aggregate amount of up to ₹1,740.00 crore for financing the acquisitions of 99.99% of the equity share capital of Organic India Private Limited.

Our Company proposes to utilise an estimated amount of up to ₹2,940.00 crore from the Net Proceeds towards full repayment or buyback of the commercial papers including any interest thereon. The details of the commercial papers as of the date of this Letter of Offer, are as follows:

Sr. No	Nature of facility	ISIN	Date of issue	Date of maturity	Rate of interest (% per annum)	Name of commercial paper holder	Maturity amount (in ₹ crore)	Purpose of the facility*
1	**Commercial paper**[#]	INE192A14556	May 29, 2024	July 31, 2024	7.24	Nippon Liquid Fund	250.00	Bridge funding for acquisition purpose and /or other transaction related expense
2	**Commercial paper**[#]	INE192A14556	May 30, 2024	July 31, 2024	7.24	Axis Liquid Fund	400.00	Bridge funding for acquisition purpose and /or other transaction related expense
3	**Commercial paper**[#]	INE192A14556	May 31, 2024	July 31, 2024	7.24	Axis Liquid Fund	350.00	Bridge funding for acquisition purpose and /or other transaction related expense
4	**Commercial paper**[#]	INE192A14556	June 05, 2024	July 31, 2024	7.22	Baroda BNP Paribas Liquid Fund	100.00	Bridge funding for acquisition purpose and /or other transaction related expense
5	**Commercial paper**[#]	INE192A14556	June 06, 2024	July 31, 2024	7.22	Baroda BNP Paribas Liquid Fund	80.00	Bridge funding for acquisition purpose and /or other transaction related expense
6	**Commercial paper**[$]	INE192A14606	July 15, 2024	August 30, 2024	7.11	Aditya Birla Sun Life Liquid Fund	400.00	Bridge funding for acquisition purpose and /or other transaction related expense
7	**Commercial paper**[$]	INE192A14606	July 15, 2024	August 30, 2024	7.11	Axis Liquid Fund	280.00	Bridge funding for acquisition purpose and /or other transaction related expense
8	**Commercial paper**[$]	INE192A14606	July 15, 2024	August 30, 2024	7.11	Invesco India Liquid Fund	200.00	Bridge funding for acquisition purpose and /or other transaction related expense
9	**Commercial paper**[$]	INE192A14606	July 16, 2024	August 30, 2024	7.11	Mirae Asset Liquid Fund	150.00	Bridge funding for acquisition purpose and /or other transaction related expense
10	**Commercial paper**[$]	INE192A14606	July 16, 2024	August 30, 2024	7.11	Invesco India Liquid Fund	50.00	Bridge funding for acquisition purpose and /or other transaction related expense

Sr. No	Nature of facility	ISIN	Date of issue	Date of maturity	Rate of interest (% per annum)	Name of commercial paper holder	Maturity amount (in ₹ crore)	Purpose of the facility*
11	**Commercial paper$**	INE192A14606	July 16, 2024	August 30, 2024	7.11	DSP Liquidity Fund	230.00	Bridge funding for acquisition purpose and /or other transaction related expense
12	**Commercial paper$**	INE192A14606	July 16, 2024	August 30, 2024	7.11	SBI Liquid Fund	150.00	Bridge funding for acquisition purpose and /or other transaction related expense
13	**Commercial paper$**	INE192A14606	July 16, 2024	August 30, 2024	7.11	UTI Liquid Fund	300.00	Bridge funding for acquisition purpose and /or other transaction related expense

**Murali and Sumeet, Chartered Accountants, pursuant to their certificate dated July 23, 2024, have confirmed that the proceeds from issuing the commercial papers have been utilized for the purposes for which they were availed, as provided in the relevant documents.*

 # Commercial papers amounting to a total face value of ₹1,180.00 crore with ISIN numbers INE192A14416, INE192A14424, INE192A14432, INE192A14440, INE192A14457 were originally issued by our Company to the following investors namely: (a) SBI Saving Fund, (b) SBI Magnum Ultra Short Duration Fund, (c) Nippon India Liquid Fund, and (d) DSP Liquidity Fund, for financing the acquisition of the Acquired Companies. Such commercial papers had matured during different dates starting from May 29, 2024, to June 6, 2024, and hence, have been refinanced by our Company by issuing these new commercial papers with new ISIN numbers as listed above.

$ Commercial papers amounting to a face value of ₹1,760.00 crore with ISIN numbers INE192A14507 and INE192A14515 were originally issued by our Company to HDFC Liquid Fund, for financing the acquisition of the Acquired Companies. Such commercial papers had matured on July 15, 2024 and July 16, 2024, respectively, and hence, have been refinanced by our Company by issuing these new commercial papers with new ISIN numbers as listed above.

The commercial papers listed above have been issued by our Company in compliance with all applicable laws and regulations. Further, some or all of the commercial papers, mentioned in the table above, may mature before our Company receives the Gross Proceeds. Accordingly, our Company may refinance such matured commercial papers, from time to time by issuing new commercial papers. These new commercial papers will have different ISIN numbers and may have different holders of such new commercial papers and rate of interest. However, the purpose of such new commercial papers will continue to be bridge funding for acquisition and/ or other transaction related expense, being the purpose for which the original commercial papers were issued. Accordingly, our Company may utilise the Net proceeds to towards full repayment or buyback of such new commercial papers including any interest thereon.

The repayment in full or buyback of the commercial papers from the Net Proceeds will help reduce our outstanding indebtedness, debt-servicing costs and improve our debt-to-equity ratio.

Our Company's management, in accordance with the policies of the Board and in compliance with all applicable law and regulations, shall have flexibility in utilising surplus amounts, if any, including the surplus amount, if any, on account of our Company buying back the commercial papers proposed to be repaid from the Net Proceeds, towards general corporate purposes, as mentioned below, subject to the total amount utilised towards general corporate purposes not exceeding 25% of the Gross Proceeds.

The details of Acquired Companies are as follows:

Capital Foods Private Limited

On January 12, 2024, our Company entered into (i) a share purchase agreement with Capital Foods Private Limited ("**CFPL**"), Artal Asia Pte. Limited, General Atlantic Singapore CF Pte. Limited, Ajay Gupta and Wildflower Private Trust (through Ajay Gupta as its sole family trustee) ("**Sellers**", and such agreement "**Capital Foods SPA**"), and (ii) a shareholders' agreement with CFPL, Artal Asia Pte. Limited, Ajay Gupta and Wildflower Private Trust (through Ajay Gupta as its sole family trustee), to acquire up to 100% of the issued and paid-up capital of CFPL. Neither our Promoter nor any of our Directors are or have been related to the Sellers in the last 5 years.

As on date, we have acquired 26,20,812 equity shares of CFPL, aggregating to 75% of its issued and paid-up capital and we plan to acquire the remaining 25% of the share capital in the next three years. CFPL became our subsidiary post-completion of this acquisition, with effect from February 1, 2024.

CFPL owns the brands 'Ching's Secret' and 'Smith & Jones', which are designed for in-home consumption. 'Ching's Secret' offers a range of products such as instant noodles, hakka and chowmein noodles, pad thai noodles, instant soups, cook-up soups, sauces, 'Desi Chinese' masalas and chutneys. 'Smith & Jones' caters to in-home cooking of Italian and other western cuisines, and its range of offerings includes ginger garlic paste, pasta masala, peri peri masala and masalas for local cuisine.

Our Company has acquired 26,20,812 equity shares of CFPL for cash consideration aggregating to approximately ₹3,881.25 crore, out of which ₹2,709.64 crore has been funded through our internal accruals and ₹1,171.61 crore has been funded through issuance of commercial papers in multiple tranches which will be repaid from the Net Proceeds of the Offer.

As on date our Company's business operations also includes CFPL's operations in India and various other countries around the world.

Corporate information:

CFPL was originally incorporated as 'Capital Foods Exports Private Limited' on September 9, 2003, under Companies Act, 1956. In March 2013, Capital Foods Limited amalgamated into and with Capital Foods Exports Private Limited pursuant to a scheme of amalgamation. Subsequently, the name of 'Capital Foods Exports Private Limited' was changed to 'Capital Foods Private Limited' pursuant to a fresh certificate of incorporation issued by the registrar of companies, Maharashtra, dated September 11, 2013. The corporate identification number of the Company is U51219MH2003PTC142121.

The registered office CFPL is situated at Villa Capital, Sadhana Compound, Near Oshiwara Bridge, S.V. Road, Jogeshwari (West), Mumbai 400102, Maharashtra, India.

The following table sets forth the capital structure details of CFPL, as on date of this Letter of Offer:

Particulars	Shares of face value ₹ 10 each
Authorised capital	4,07,50,000
Issued, subscribed and paid-up capital	34,94,433

Financial information:

The following table sets forth details derived from the Capital Foods Private Limited Audited Financial Statements:

(in ₹ crore, except per share data)

Particulars	For the Financial Year ended				
	2024	2023	2022	2021	2020
Equity capital	3.49	3.50	3.49	3.49	3.45
Reserves (excluding revaluation reserves) and surplus	261.08	308.01	224.37	219.44	121.89
Revenue from operations and other income	692.68	714.25	580.92	707.22	448.99
Profit/ (loss) after tax	40.43	75.08	(7.43)	79.46	3.28
Basic earnings per share	115.56	214.64	(21.26)	229.35	9.42
Diluted earnings per share	115.56	211.41	(21.26)	227.25	9.30
Net asset value per share	757.13	890.12	652.07	637.98	66.66

Note: The above figures are taken from the audited financials of the respective years and restatement in subsequent years is not considered. For further details, please see "Financial Statements – Capital Foods Private Limited Audited Financial Statements" on page 198.

The Capital Foods Private Limited Audited Financial Statements have been audited by Deloitte Haskins & Sells LLP for the Financial Year ended 2024 and by Price Waterhouse Chartered Accountants LLP for the Financial Years ended 2023. 2022, 2021 and 2020, and are disclosed in this Letter of Offer in accordance with requirements specified under SEBI ICDR Regulations. For further details, please see "*Financial Statements – Capital Foods Private Limited Audited Financial Statements*" on page 198.

Organic India Private Limited

On January 12, 2024, our Company entered into a share purchase agreement with Organic India Private Limited ("**OIPL**") and Fabindia Limited ("**Sellers**", and such agreement "**Organic India SPA**") to acquire upto 100% of the issued and paid-up capital of OIPL. Neither our Promoter nor any of our Directors are or have been related to the Sellers in the last 5 years.

OIPL has a portfolio of products in the health and wellness space, including teas and infusions such as green tea and wellness tea, herbal supplements that are condition-specific as well as for daily nutrition, staple and packaged food such as cereals and pulses, natural sweeteners, nuts and seeds, oil and ghee, salt and spices, personal care products for body, face and hair care, as well as therapeutics oils, and detox kits for wellness.

Our Company has acquired 8,26,07,277 equity shares of OIPL, which constitutes 99.99% of the issued and paid-up capital of OIPL, as on date of this Letter of Offer, for cash consideration aggregating to approximately ₹1,708.00 crore (excluding the hold back amount, which is yet to be finalized). Such acquisition has been funded completely through the issuance of commercial papers which will be repaid from the Net Proceeds of the Offer. OIPL became our subsidiary post-completion of this acquisition, with effect from April 16, 2024.

Our Company's business operations include OIPL's operations in India and other countries around the world.

Corporate information:

OIPL was originally incorporated as 'Indo Israel Trading Company Private Limited' on February 17, 1997, under Companies Act, 1956. Subsequently, the name of the OIPL was changed to 'Indo Israel Trading Corporation Private Limited' and a fresh certificate of incorporation was issued on October 14, 1998. The name of OIPL was further changed to 'IITC Organic India Private Limited' and a fresh certificate of incorporation was issued on January 11, 2002. Further, pursuant to another change in name from 'IITC Organic India Private Limited' to 'Organic Indian Private Limited' and a fresh certificate of incorporation dated November 2, 2006, was issued to OIPL. The corporate identification number of the Company is U74130DL1997PTC326085.

The registered office OIPL is situated at Unit No. 720-722, 7th Floor, Tower B, DLF Towers Plot No. 11, N.H. Commercial Centre Jasola, New Delhi 110025.

The following table sets forth the capital structure details of OIPL, as on the date of this Letter of Offer:

Particulars	Shares of face value ₹ 10 each
Authorised capital	8,94,00,000
Issued, subscribed and paid-up capital	8,26,16,027

Financial information:

The following table sets forth details derived from the Organic India Private Limited Audited Consolidated Financial Statements:

(in ₹ crore, except per share data)

Particulars	For the Financial Year ended				
	2024	2023	2022	2021	2020
Equity capital	82.70	82.70	82.70	82.70	80.19
Reserves (excluding revaluation reserves) and surplus	53.80	58.87	150.49	142.42	128.48
Revenue from operations and other income	338.73	333.61	391.73	405.85	357.35
Profit/ (loss) after tax	(4.48)	(91.68)	1.72	3.18	2.65
Basic earnings per share	(0.53)	(11.12)	0.69	0.18	0.20
Diluted earnings per share	(0.53)	(11.12)	0.69	0.18	0.20
Net asset value per share	16.50	17.12	28.20	27.22	26.02

Note: The above figures are taken from the audited financials of the respective years and restatement in subsequent years is not considered. For further details, please see "Financial Statements - Organic India Private Limited Audited Consolidated Financial Statements" on page 401.

The Organic India Private Limited Audited Consolidated Financial Statements have been audited by A Puri & Associates Chartered Accountants for the Financial Years ended 2022, 2021 and 2020) and by MSKA & Associates Chartered Accountants for the Financial Years ended 2024 and 2023 and are disclosed in this Letter of Offer in accordance with requirements specified under SEBI ICDR Regulations. For further details, please see "*Financial Statements - Organic India Private Limited Audited Consolidated Financial Statements*" on page 401.

II. *General corporate purposes*

Our Company intends to deploy the balance Net Proceeds, including the resulting surplus amount, if any, on account of our Company's pre-mature buy back of the commercial papers proposed to be repaid from the Net Proceeds, towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The balance Net Proceeds proposed to be utilised towards general corporate purpose as on the date of this Letter of Offer is estimated to be up to ₹37.28 crore. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, (a) funding growth opportunities, including any opportunities for organic growth that our Company may consider in the future, (b) employee expenses, (c) meeting of exigencies which our Company may face in the course of its business activities, (d) advertising, brand building and other marketing expenses, and any other purpose in the ordinary course of business as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with applicable laws.

Our management will have flexibility, in compliance with all applicable law and regulations, in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Estimated Issue Related Expenses

The estimated Issue related expenses are as follows:

(unless otherwise specified, in ₹ crore)

Sr. No.	Particulars	Estimated amount*	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fees payable to the Lead Managers	5.19	25.33	0.17
2.	Fees payable to legal advisors and other professional service providers (includes Statutory Auditors, practising company secretary, independent chartered account, etc.)	7.30	35.63	0.24
3.	Fees payable to the Registrar to the Issue	0.31	1.53	0.01
4.	Advertising, marketing and shareholder outreach expenses	0.09	0.43	0.01

Sr. No.	Particulars	Estimated amount*	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
5.	Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fees	4.77	23.26	0.16
6.	Printing and stationery, distribution, postage, etc.	0.71	3.47	0.02
7.	Other expenses (including miscellaneous expenses and stamp duty)	2.12	10.35	0.07
Total estimated Issue related expenses*		**20.49**	**100.00**	**0.68**

** Includes applicable taxes. Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All issue related expenses will be paid out of the Issue Proceeds received at the time of receipt of the Application Money.*

Bridge Financing Facilities

The objects of the Issue is to repay in full or buyback the commercial papers issued/refinanced by our Company for financing the acquisitions of the Acquired Companies. Accordingly, our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds in relation to such commercial papers. However, as mentioned above, the commercial papers proposed to be repaid in full or bought back, were issued/refinanced for the purpose of bridge funding the acquisition and/ or other transaction related expense.

Interim Use of Net Proceeds

Our Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with any scheduled commercial banks which are included in second schedule of Reserve Bank of India Act, 1934.

Monitoring Utilization of Funds from the Issue

Our Company has appointed CARE Ratings Limited as the Monitoring Agency for the Issue to monitor the utilization of the Gross Proceeds. The Monitoring Agency shall submit a report to our Board, till 100% of the Gross Proceeds has been utilised, as required under the SEBI ICDR Regulations. Our Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Further, pursuant to Regulation 32(5) of the SEBI LODR Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor(s) of our Company or a peer reviewed independent chartered accountant, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Directors' report, after placing it before the Audit Committee.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Appraising entity

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency or any financial institution.

Other confirmations

No part of the proceeds of the Issue will be paid by our Company to our Promoter, our Promoter Group, our Directors or our Key Managerial Personnel or Senior Management.

Our Promoter, our Promoter Group and our Directors do not have any interest in the objects of the Issue, and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoter, Promoter Group, Directors, Key Managerial Personnel, Senior Management or associate companies (as defined under the Companies Act, 2013).

Our Company does not require any material government and regulatory approvals in relation to the objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO TATA CONSUMER PRODUCTS LIMITED AND THE SHAREHOLDERS OF TATA CONSUMER PRODUCTS LIMITED UNDER THE APPLICABLE TAX LAWS IN INDIA

Date:

To,
The Board of Directors
Tata Consumer Products Limited
1, Bishop Lefroy Road,
Kolkata 700 020

Sub: Statement of possible special tax benefits ("the statement") available to Tata Consumer Products Limited ("the Company") and its shareholders in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended ("Regulations")

Dear Sirs,

We have been requested by the Company to issue a report on the special tax benefits available to the Company and shareholders of the Company for inclusion in the letter of offer ("**LOF**") prepared in connection with the proposed rights issue of equity shares of the Company (the "**Issue**"). The statement ("**Statement**") has been prepared by the management of the Company and stamped by us for identification purpose only.

The Statement showing the current position of special tax benefits available to the Company and shareholders of the Company as per the provisions of Income - Tax Act, 1961 ("**IT Act**") and the Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company and its shareholders operate and applicable to the Company and its shareholders respectively, Customs Act, 1962, The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023-28) including the rules, regulations, circulars and notifications issued there under, (together , the "**Tax Laws**") relevant for the financial year 2024-25 for inclusion in the LOF for the issue of rights shares annexed herewith as Annexure I.

These possible special tax benefits are dependent on the Company and shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding tax Laws. Hence, the ability of the Company and shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The benefits discussed in the enclosed Statement are neither exhaustive nor conclusive. The contents stated in the Statement are based on the information and explanations obtained from the Company. The Statement is only intended to provide general information to guide the investors and is neither designed not intended to be substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting not are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

(i) The Company or the shareholders of the Company will continue to obtain these benefits in future;
(ii) The conditions prescribed for availing the benefits have been/ would be met;
(iii) The revenue authorities/ courts will concur with the views expressed herein.

The Statement is intended solely for information and the inclusion in the LOF in connection with the Issue and is not to be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the LOF.

LIMITATION:

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company or the shareholders of the Company for any claims. Liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other persons in respect of this statement, except as per applicable law.

Yours faithfully,

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration Number: 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
UDIN: 24039826BKCOES3918

Place: Mumbai
Dated: July 1, 2024

ANNEXURE - I

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO TATA CONSUMER PRODUCTS LIMITED AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax benefits available to Tata Consumer Products Limited ("the Company") and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current Tax Laws presently in force in India.

The tax benefits stated below are as per the Income Tax Act, 1961 ("IT Act") as amended from time to time and applicable for financial year 2024-25 relevant to assessment year 2025-26 (AY 2025-26) and Indirect Tax Regulations as amended from time to time and applicable for financial year 2024-25.

1. SPECIAL TAX BENFITS UNDER THE IT ACT IN THE HANDS OF TATA CONSUMER PRODUCTS LIMITED AND THE SHAREHOLDERS OF THE COMPANY:

A. Special direct tax benefits available to the Company under the IT Act:

i) Lower corporate tax rate under section 115BAA of the Act

Section 115BAA of the Act grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the said option will not be required to pay Minimum Alternate Tax (`MAT') on their 'book profits' under Section 115JB of the Act and such a company will no longer be eligible to avail specified exemptions / incentives/deductions under Chapter VI-A under the Act other than deduction under section 80JJAA and section 80M. The Company will also need to comply with the other conditions specified in section 115BAA of the Act and shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives. The Company has opted to apply section 115BAA of the Act.

ii) Deduction from Gross Total Income

The Company is eligible for the following deductions from its Gross Total Income, even though it has opted for the concessional tax rate under section 115BAA of the IT Act.

a) Deduction under section 80M of the Act:

With respect to a shareholder which is a domestic company as defined in section 2(22A), and section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

b) Deduction under clause (iv) of sub section (1) of section 35 of the Act:

The Company is eligible for the deduction in respect of capital expenditure incurred towards scientific research related to the own business, being 100% of the capital expenditure so incurred is allowed as deduction. The said deduction, however, excludes capital expenditure incurred towards the acquisition of land. The Company will not be eligible for depreciation under section 32(1)(ii) the IT Act in relation to the above capital expenditure allowed as deduction.

B. Special direct tax benefits available to Shareholders of the Company under the IT Act:

i) Dividend Income:

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic company, deduction under Section 80M of the Act would be available on fulfilling the conditions as mentioned above.

ii) Capital Gains:

a) Tax on Long-term Capital Gain (LTCG) - Section 112A of IT Act:

As per Section 112A of the Act, long-term capital gains arising from transfer of equity shares, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares and on the transfer of unit of an equity-oriented fund or a unit of a business trust under Chapter VII of Finance(No.2) Act read with Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 2018. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,00,000 in a financial year.

b) Tax on Short-term Capital Gain (STCG) – Section 111A of IT Act:

As per Section 111A of the Act, short-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% (plus applicable surcharge and cess) subject to fulfillment of prescribed conditions under the Act.

C. Treaty Benefit

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfillment of other conditions to avail the treaty benefit.

2. STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS

A. Special Indirect tax benefits available to the Company

i) Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

a) The Company is entitled to claim upfront exemption from payment of GST of intra-State and inter-State supplies of goods vide Notification no. 02/2017 - Central GST (CGST) Rate dated 28.06.2017 and Notification No.2/2017-Integrated Tax (IGST) Rate dated 28.06.2017 respectively, under tariff headings as tabulated below:

Tariff item	Description of Goods
2501	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solutions or containing added anti-caking or free flowing agents; sea water
0902	Unprocessed green leaves of tea
0901	Coffee beans, not roasted
0713	Dried leguminous vegetables, shelled, whether or not skinned or split other than pre-packaged and labelled

b) Under the GST regime, all supplies of goods and services which qualify as exports or supplies to SEZ for authorised operations are classified as Zero-rated supplies. Zero rated supplies are eligible for claim of GST refund under any of the two mechanisms, at the option of the Company.

The Company can either effect zero-rated supplies under Bond/ Letter of Undertaking (LUT) without payment of GST and claim refund of accumulated Input Tax Credit or effect zero-rated supplies on payment of Integrated Goods and Services Tax and claim refund of the tax paid thereof as per provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the option of claiming refund of GST on zero rated supplies is available to the Company.

c) The Company is also eligible to claim the benefit of refund of input tax credit under Section 54 of Central Goods and Services Tax Act, 2017on account of inverted tax structure as the credit is accumulated on account of the rate of tax on inputs being higher than the rate of tax on output supplies.

ii) Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023-28)

a) Remission of Duties and Taxes on Exported Products (RoDTEP)

Remission of Duties and Taxes on Exported Products (RoDTEP) scheme incentives are given at a specified rate, ranging between 0.5 percent to 4 percent, on the Free on Board value of the exported goods. The incentives awarded to exporters are issued in the form of duty credit/electronic scrip. These duty credit scrips are freely transferable and can be used for the payment of Custom Duty. The Company’s products are covered under RoDTEP scheme.

b) Benefits for Export Oriented Units (EOU)

Export Oriented Units of the Company are eligible to avail upfront exemption of Basic Customs Duty (BCD) and IGST on import of notified goods. Further, these EOUs are also eligible for refund of taxes paid on domestically manufactured goods under deemed export scheme, subject to fulfilment of conditions prescribed under Section 147 of the Central Goods and Services Tax Act, 2017 and Chapter 7 of the Foreign Trade Policy.

B. Special Indirect Tax benefits available to Shareholders

There are no special indirect tax benefits available to the shareholders of the Company under Indirect tax regulations.

NOTES:

1. We have not considered general tax benefits available to the Company and its shareholders. The above Statement covers only certain possible special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

2. The above Statement of possible special tax benefits sets out the provisions of Indian tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

3. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

5. This Statement does not consider general tax benefits available to the Company and its material subsidiaries.

In terms of our certificate dated July 1, 2024 bearing

UDIN 24039826BKCOES3918

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number: 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826
Place: Mumbai

The Board of Directors /JSS/ID2633068/MAP
Tata Consumer Products Ltd
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700 020
India

Kotak Mahindra Capital Company Limited
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Maharashtra, India

Axis Capital Limited
1st floor, Axis House
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Maharashtra, India

HSBC Securities and Capital Markets India Private Limited
52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001
Maharashtra, India

(Kotak Mahindra Capital Company Limited, Axis Capital Limited and HSBC Securities and Capital Markets India Private Limited, together with any other lead managers appointed by the Company are hereinafter collectively referred to as the "**Lead Managers**")

July 1, 2024

Dear Sirs,

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO TATA CONSUMER PRODUCTS UK GROUP LIMITED AND TATA CONSUMER PRODUCTS GB LIMITED

We have been asked to prepare this statement by Adam Parsons, International Tax Manager of Tata Consumer Products UK Group Ltd as referenced in our engagement letter dated 29th April 2024. The statement details the possible special tax benefits available to Tata Consumer Products UK Group Limited ("**TCPUKG**") and Tata Consumer Products GB Limited ("**TCPGB**"), the material subsidiaries of Tata Consumer Products Limited (the "**Company**") resulting from their being UK tax resident companies.

We have not been involved in any other matters, either for the Company or the shareholders and our role has been limited to the writing of this letter.

We have been advised that Company considers TCPUKG and TCPGB to be material foreign subsidiaries of the Company and have been asked to opine on whether any special tax benefits are available to TCPUKG and TCPGB.

This Letter has been prepared based on the laws, regulations and judicial interpretations in force in England and Wales as at the date of this letter, in so far as they relate to the opinion above. It does not purport to address all possible tax considerations that may be relevant.

This Letter has been issued for the sole purpose of the proposed rights issue of equity shares by the Company (the "**Issue**"). We hereby give consent to include this Letter in the letter of offer and in any other material used in connection with the Issue (together, the "**Issue Documents**").

This Letter may be submitted as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the Lead Managers in connection with the Offer and in accordance with applicable law.

We also consent to the inclusion of our name and references to us as "Experts" (as defined under the Companies Act, 2013 of India) in the Issue Documents, to the extent of the certification provided hereunder.

Loss Relief

Trading losses incurred by both TCPUKG and TCPGB may be set-off against the total taxable profits (including chargeable gains) of each individual company of the same year (s.37(3)(a) CTA 2010) and the remaining loss can then be carried back against the taxable profits of the year immediately preceding the year in which losses are incurred (s.37(3)(b) CTA 2010). Any balance of losses which cannot be relieved in the current year, or preceding year may be carried forward to offset against total profits of the company (s.45A CTA 2010).

Companies are restricted to utilising brought forward losses incurred for periods after 1 April 2017, as to 50% of the taxable profits, however this restriction only applies on taxable profits in excess of GBP 5m, known as the Deduction Allowance (s.269ZR CTA 2010). This Deduction Allowance must be shared between the UK-resident group companies with a Group Deductions Allowance Statement being filed with HM Revenue and Customs by the nominated group company detailing how the allowance has been shared between UK group companies.

'Group relief i.e. the use of one company's losses against the profits of another company is a relief available in cases where two or more UK resident companies, which are beneficially owned (whether directly or indirectly) by the same parent company holding at least 75% of the nominal issued share capital of the subsidiary companies (s.97 CTA 2010). In cases in which a group exists, taxable profits and losses arising in the same period may be offset within the group. The company which makes the loss surrenders the loss to the profitable company. Specific rules apply to certain types of losses and in some cases losses brought forward from earlier years (post 1 April 2017) can be surrendered to a group company (s.188BB CTA 2010).

Upon cessation of a trade, losses arising in the final 12 months of trading before cessation of the trade may be carried back three years and set off against total profits arising in those periods (s39 CTA 2010).

Capital Gains Group relief

UK resident companies can be a member of a single Capital Gains Group. To be part of a Capital Gains Group a company must be beneficially owned by and under at least 75% control of another company and indirect subsidiaries must be beneficially owned with more than a 50% interest (s.170 TCGA 1992). Under s.171 TCGA 1992, where two companies are in the same capital gains tax group, a transfer of an asset by one company to the other creates neither a gain or a loss for tax purposes and means that assets can be transferred between group companies without giving rise to any Corporation Tax liability.

If a company, which is a member of a capital gains group, makes a disposal of an asset which results in a chargeable gain, it is possible to elect to treat the gain as arising in another capital gains group member company to utilise capital losses, including capital losses brought forward, that may exist in that company (s.171A TCGA 1992).

A degrouping charge is triggered when a company leaves a group holding an asset (that is within the scope of UK tax on capital gains) which it acquired within 6 years by way of an intra-group transfer made at a time when both companies were members of the same group. This charge is calculated by deeming the company to have disposed of and reacquired the asset at its market value at the time of the original intra-group transfer (s.179(3) TCGA 1992).

All trades carried on by members of a group are treated as a single trade for the purpose of applying the chargeable gains rules relating to the replacement of business assets. This allows a gain arising from the disposal of an asset owned by one member to be rolled over into the cost of an asset acquired by another member (s.175 TCGA 1992). This rollover relief applies only to capital assets used for the purposes of a trade.

An exemption applies for capital gains tax and losses on disposals by companies with substantial shareholdings in other companies - the Substantial Shareholding Exemption. The main exemption applies where a company (the investing company) disposes of a substantial shareholding in another company that is has held for at least 12 months (s.192A TCGA 1992). The rules apply whether the shares being disposed of are in a UK or overseas company. This exemption only applies to shareholdings of 10% or more in trading companies.

Where the exemption applies, no claim is necessary and any gains on the disposal of the shares is not chargeable to corporation tax, and any loss is not available to offset against other gains.

Capital Allowances

UK tax law provides for allowances such as Capital Allowances (deduction for expenditure on capital assets) at annual rates of 18% and 6% per annum dependent upon the nature of the capital asset acquired (s.56 CAA 2001).

If eligible expenditure is incurred, Annual Investment Allowance (expenditure incurred on qualifying activities such as trade or profession) is available to give tax relief at 100% of the cost of the expenditure in the year of purchase, subject to meeting the criteria for the relief. The annual limit for the expenditure to qualify for the Annual Investment Allowance is currently £1million with this limit being shared between the UK-resident group companies (s.51A CAA 2001).

Alternatively, "full expensing" can be claimed which offers 100% first-year relief (as a first-year allowance "FYA") to companies on qualifying new main rate plant and machinery expenditure incurred between 1 April 2023 until 31 March 2026 (s.45S CAA 2001). A 50% FYA is also available for expenditure by companies on new special rate (including long life) assets until 31 March 2026.

FYA's are also available on new electric and zero emission cars, zero emission goods vehicles and electric charging points (s.45D, s.45DA, s.45EA CAA 2001).

Research & Development Tax relief

Research & Development ("R&D") expenditure relief may be claimed by UK resident companies where the expenditure fulfils certain specified conditions (s.1138 CTA 2010). Expenditure on activities aimed at the advancement of scientific or technical knowledge or understanding can be subject to enhanced relief. The availability of these reliefs are considered only if specified conditions are met.

From 1st April 2024, the previous SME and Large company research and development schemes have been merged into the R&D Expenditure Credit Scheme ("RDEC"). The scheme gives rise to a credit of 20% of the amount of qualifying expenditure. The credit is subject to Corporation Tax and is taxable as trading income. Where the RDEC exceeds a company's corporation tax liability, the RDEC is potentially payable to the company. Please note, any payable element is restricted to the PAYE/NIC liabilities of the company's R&D staff and those of externally provided workers from group companies (s.104M-104S CTA 2009).

Dividend Withholding Tax

The UK does not operate any form of withholding tax on the payment of dividends or other distributions.

Dividends Exemption

The basic rule is that a charge to corporation tax applies to any dividend or other distribution of a company. However, distributions received by a company which is not small may be exempt from corporation tax if it falls within one of the following five exemptions (s.931 E-931I CTA 2009):-

1. Is a distribution from controlled companies;
2. Distributions in respect of non-redeemable ordinary shares;
3. Distributions in respect of portfolio holdings;
4. Dividends derived from transaction not designed to reduce tax; or,
5. Dividends in respect of shares accounted for as liabilities.

Group Payment Arrangements

Companies within a 51% group (parent companies and 51% subsidiaries associates) are able to take advantage of administrative savings through entering into a group payment arrangement for corporation tax. Instead of each company in the group having to make payments, a nominated company pays the corporation tax liability in instalments for the entire group. Participating companies covered by the group payment arrangement will only have to account for any tax due after all of their tax returns have been submitted and the amount of tax has been confirmed by HMRC. Companies seeking entry into the group payment regime must complete the arrangement document and make sure it is with HMRC no later than one month before the first instalment payment is due for the group. Eligibility into the regime depends on all companies sharing the same year end as the nominated company (s.59F-59H TMA 1970).

In order to apply for the regime, at least one company in the group must be large or very large and therefore liable to quarterly instalment tax payments.

VAT Groups

Companies which are part of a VAT group are treated as a single taxable person and any transactions between members of the group are disregarded for VAT purposes. Companies can form a VAT group if they are under common control and are established in the UK. The control test can be met in the following situations (s.1159 CA2006):-

- The controlling company or individual has a majority of the voting rights in the other companies (51% or more);
- The controlling company is a member of the subsidiary company and has the right to appoint or remove a majority of its board of directors; and,
- The subsidiary company is a subsidiary of another company which is also owned by the controlling company.

A company is established in the UK if its principal place of business is in the UK, and the management and control of the company is UK-based. A company is classed as having a fixed establishment in the UK if it has a real and permanent trading presence in the UK. For VAT purposes, a company is not classed as being established in the UK or having a fixed establishment in the UK just be being incorporated in the UK and having a UK registered office address.

Once group registration has been obtained the registration is in the name of the representative member (the main representative of the VAT group) and all other VAT registrations are cancelled. Supplies between group companies are disregarded and one VAT return is submitted by the representative member for the entire group. Input tax recovery (VAT paid by a business on its purchases) is calculated at a group level and any option to tax election made on land and buildings by a member of the VAT group will apply to all members of the same group, this will also apply to future member of the VAT group and will remain valid for those companies that may leave the VAT group in the future.

Please note, HMRC reserve the right to disregard the existence of a VAT group if tax avoidance is suspected, for instance, high input tax recover is achieved despite a high proportion of exempt supplies (sch.9A VATA 1994).

The grouping legislation in the UK provides for the whole person to be included in a UK VAT group, including any overseas branch. Services imported from, for example, an overseas head office to a UK branch are therefore disregarded, while services bought in overseas before, being supplied in the UK, to a separate entity within the same group are subject to a reverse charge. Some jurisdictions, however, only allow the local establishments to be included in a VAT group,

An international entity that is grouped in any of these other jurisdictions with the above restriction must treat services imported from the VAT group as if it were being imported from a separate taxable person and potentially subject to a reverse charge even when the services are provided within the same legal entity, for example, from a Swedish branch to the UK head office (s.43 VATA 1994).

The above possible special tax benefits are dependent on the TCPUKG and TCPGB and their shareholders fulfilling the conditions prescribed under the relevant provisions of the corresponding tax laws. Hence, the ability of the TCPUKG and TCPGB and their shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, TCPUKG and TCPGB may face in the future and accordingly, TCPUKG and TCPGB and their shareholders may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the TCPUKG, TCP GB or their shareholders to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The benefits discussed above are neither exhaustive nor conclusive. The contents stated in the Statement are based on the information and explanations obtained from the TCPUKG and TCPGB. The Statement is only intended to provide general information to guide the investors and is neither designed not intended to be substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting not are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

i) TCPUKG, TCPGB or their shareholders will continue to obtain these benefits in future;
ii) The conditions prescribed for availing the benefits have been/ would be met;
iii) The revenue authorities/ courts will concur with the views expressed herein.

Yours faithfully

BARNES ROFFE LLP

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The industry-related information contained in this section is derived from the industry report titled 'Industry report on global consumer food & beverages market with a focus on India' released in Mumbai on June 2024 prepared by CRISIL MI&A (the "**CRISIL Report**") appointed by our Company pursuant to an engagement letter dated May 6, 2024.*

The CRISIL Report has been commissioned and paid for by our Company in connection with the Issue. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Indian macro-economic overview

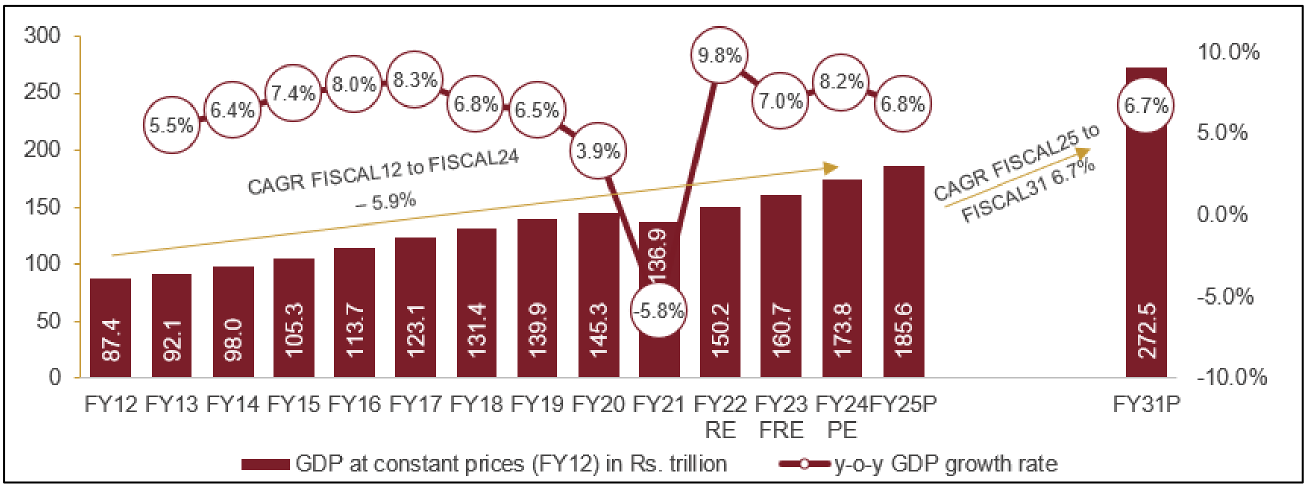
Overview of India GDP

India's real GDP grew at 5.9% CAGR between Fiscal 2012 and Fiscal 2024

India's real gross domestic product ("**GDP**") grew at 5.9% compounded annual growth rate ("**CAGR**") between Fiscals 2012 and 2024 to ₹ 173.8 trillion. A large part of the modest growth rate was because of challenges heaped by the COVID-19 pandemic in Fiscals 2020 and 2021. In Fiscal 2022, the economy recovered with abating of the pandemic and subsequent easing of restrictions and resumption in economic activity. Inflation, though, rose sharply in the last quarter of the fiscal owing to geopolitical pressures. The GDP reported 9.8% growth in Fiscal 2022 vs -5.8% in Fiscal 2021.

In Fiscal 2023, GDP rose 7% on continued strong growth momentum, propelled by investments and private consumption. In fact, the share of investments in GDP reached 33.3% and that of private consumption to 58%.

India real GDP growth at constant prices (new series)



RE – revised estimates, FRE – first revised estimates, PE – provisional estimates, P – projection
Notes: The values are reported by the government under various stages of estimates
Actuals, estimates and projected data of GDP are provided in the bar graph
Source: Provisional estimates of national income 2022-2023 and quarterly estimates of GDP for the fourth quarter of Fiscal 2023, Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A

India's GDP growth estimated at 8.2% in Fiscal 2024

In the third quarter of Fiscal 2024, India's GDP showcased resilience, surpassing expectations yet again. Real GDP growth accelerated to 8.6% year-on-year in the third quarter, up from 8.1% in the previous quarter. The growth in the fourth quarter is estimated to have increased to 7.8% based on the latest estimates. The agricultural economy slowed sharply in the fiscal following a weak monsoon, the surge in non-agricultural economy has more than made up for it. On the supply side, the industry sector experienced the most substantial growth at 9.7%, while the agriculture and services sectors exhibited more modest growth rates of 2.1% and 7.6%, respectively.

The government's investment push, along with easing input cost pressures for industry, has also played a major role in shoring up growth. These trends underscore the varied performance across sectors, highlighting the nuanced dynamics shaping India's economic landscape in Fiscal 2024.

India's GDP Growth Outlook

After a strong GDP growth in the past three Fiscals, CRISIL expects GDP growth to moderate in Fiscal 2025. At an overall level, India's real GDP growth is expected to be at 6.8% in Fiscal 2025. The slower growth rate vs. Fiscal 2024 will be because of slowing global growth, impact of rising interest rates, waning pent-up demand for services and increasing geopolitical uncertainty. Still, the manufacturing sector, investments and domestic demand is expected to remain resilient. Exports could be impacted due to uneven growth in key trade partners and any escalation of the Red Sea crisis. On the other hand, spell of normal monsoon and easing inflation could revive rural demand.

Between Fiscal 2025 and Fiscal 2031, CRISIL expects India to sustain average GDP growth of 6.7%, which will make India the third-largest economy in the world from fifth rank currently and lift per capita income. As per CRISIL estimates, Fiscal 2031 will mark the year when India enters the upper middle-income country club with per capita income rising to approximately $4,500, as per the World Bank definition.

The growth is expected to be driven primarily by capital investments. The share of private sector in capital investments is expected to increase with government focusing on fiscal consolidation. Manufacturing sector is expected to grow faster than in the past decade between Fiscal 2011 and Fiscal 2020. Manufacturing and service sectors are expected to grow at 9.1% and 6.9% respectively between Fiscal 2025 and Fiscal 2031. Service sector will remain the dominant driver of India's growth, contributing to 55.5% share in GDP by Fiscal 2031 compared to 20.0% share of manufacturing sector, even as manufacturing sector catches-up on growth momentum.

Over the next seven years, since global growth is expected to be relatively tepid and the trade environment restrictive, domestic demand will play an important role in supporting the manufacturing sector growth.

India is among world's fastest-growing large economies

India was one of the fastest-growing economies in 2018 (i.e., Fiscal 2019) and 2019 (Fiscal 2020). In 2020 (Fiscal 2021), though, the country's GDP shrank 5.8%, along with most countries.

However, in 2021, the GDP of all major economies rebounded over a low base with the resumption in economic activity. Among major economies, India, with a growth rate of 9.8%, was the fastest growing (Fiscal 2022), followed by China (8.5%). The country also overtook the UK as the fifth-largest economy in the world in the April-June quarter of 2022.

In 2024 (Fiscal 2025), India's GDP is projected to grow at 6.8%. In fact, the country is forecasted to grow faster than China as well as the global average including other key emerging markets and developing economies.

Real GDP growth by geographies (%)

Regions	2018	2019	2020	2021	2022E	2023E	2024P	2025P
India*	**6.5**	**3.9**	**-5.8**	**9.8***	**7.0***	**8.2***	**6.8***	**6.5***
US	2.9	2.3	-2.8	5.9	1.9	2.5	2.7	1.9
Euro area	1.8	1.6	-6.1	5.6	3.4	0.4	0.8	1.5
Germany	1.0	1.0	-3.8	3.1	1.8	-0.3	0.1	1.3
France	1.9	1.8	-7.5	6.3	2.5	0.8	0.7	1.4
United Kingdom	1.7	1.6	-11.0	7.6	4.3	0.5	0.6	1.6
Japan	0.6	-0.4	-4.1	2.5	0.9	1.9	0.9	1.0
Canada	2.7	1.9	-5.0	5.2	1.0	1.1	1.2	2.3
China	6.8	6.0	2.2	8.5	3.0	5.2	4.6	4.1
Advanced economies	2.3	1.7	-4.2	5.6	2.6	1.6	1.5	1.8
Emerging market and developing economies	4.6	3.6	-1.8	6.9	4.1	4.1	4.1	4.2
World	**3.6**	**2.8**	**-2.8**	**6.3**	**3.5**	**3.2**	**3.2**	**3.2**

E – estimates, P – projections
** Numbers for India are for Fiscal (2020 is Fiscal 2021 and so on), and as per CRISIL's forecast for 2024 and as per IMF's forecast for 2025*
Note:
India GDP estimate for the current fiscal is 8.2% according to Provisional Estimates from MoSPI.
Global Projection is as per IMF's April 2024 update
Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

India's per capita GDP growing faster than the global average

Global GDP per capita clocked a CAGR of 3.1% between 2018 and 2023, as per the IMF. India's per capita registered a higher CAGR of 4.8% over the same period, i.e., Fiscal 2019 to Fiscal 2024. Despite the rapid growth, India's GDP per capita is lower than most global economies with further room to grow over the medium to long term.

GDP per capita, current prices ($)

Regions	2018	2019	2020	2021	2022	2023E	2024P	2025P	CAGR (2018-2023E)
India*	**1,974**	**2,050**	**1,915**	**2,250**	**2,366**	**2,500**	**2,730**	**2,983**	**4.8%**
US	62,788	65,077	63,577	70,160	76,343	80,412	83,063	85,877	5.1%
Euro area	39,865	39,001	37,915	42,404	40,819	44,566	46,926	49,067	2.3%
Germany	47,961	46,810	46,711	51,461	48,756	52,726	54,290	56,438	1.9%
France	43,061	41,925	40,529	45,161	42,306	46,000	47,358	48,631	1.3%
United Kingdom	43,378	42,797	40,347	46,422	45,461	48,913	52,426	55,732	2.4%
Japan	39,850	40,548	40,133	39,933	33,854	33,950	34,555	36,657	-3.2%
Canada	46,626	46,450	43,384	52,388	55,037	53,247	55,528	57,899	2.7%
China	9,849	10,170	10,525	12,572	12,670	12,541	13,156	14,031	5.0%
Advanced economies	48,077	48,350	47,220	52,474	53,129	55,921	58,172	60,674	3.1%
Emerging market and developing economies	5,364	5,415	5,152	5,972	6,357	6,455	6,772	7,130	3.8%
World	11,457	11,500	11,077	12,468	12,895	13,333	13,872	14,477	3.1%

E – estimates, P – projections
** Numbers for India are for Fiscal (2020 is Fiscal 2021 and so on), and as per IMF*
Source: IMF, CRISIL MI&A

Key characteristics of Indian economy

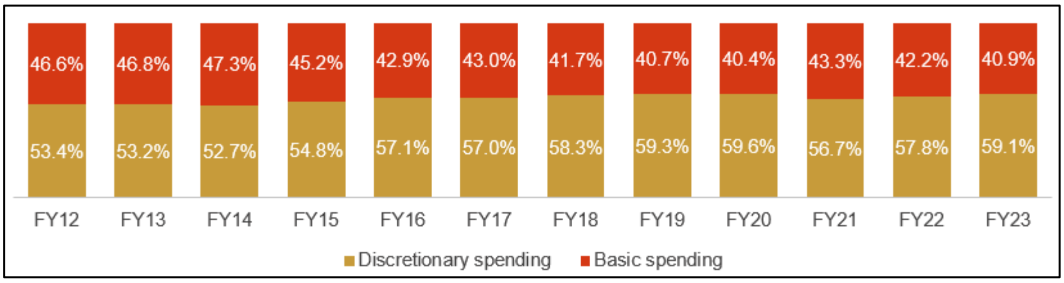
PFCE to grow at an average annual growth rate of 6% - 7% from Fiscal 2024 to Fiscal 2028

Private final consumption expenditure ("**PFCE**") at constant prices clocked 5.8% CAGR between Fiscal 2012 and Fiscal 2024, maintaining its dominant share of 55.8% in Fiscal 2024 (approximately ₹ 96,992.1 billion in absolute terms, up 4% year-on-year). Growth was led by wage revisions due to the implementation of the Seventh Central Pay Commission's ("**CPC**") recommendations, benign interest rates, growing middle age population and low inflation.

The PFCE growth of approximately 5.8% has been in line with India's GDP growth of 5.9% from Fiscal 2012 to Fiscal 2024. CRISIL estimates the PFCE to grow at an average annual growth rate of 6% - 7% from Fiscal 2024 to Fiscal 2028, representing approximately 56% of GDP in Fiscal 2028. From Fiscal 2012 to Fiscal 2023 the share of basic spending as a percentage of PFCE has reduced from 46.6% to 40.9% whereas discretionary spending as a percentage of PFCE has increased from 53.4% to 59.1%.

From a medium-to long-term perspective, rising working population, urbanization, rising middle class and higher per capita incomes are expected to raise the share of discretionary consumption and keep private consumption healthy. While food accounts for a greater proportion of the consumption basket at low-income levels, rising incomes enable consumers to accommodate other discretionary items (e.g., consumer durables and automobiles) in their consumption. India's rise from the lower middle-income level at present to the upper middle-income level by Fiscal 2031 will improve the quality of consumption, with increasing demand for discretionary goods.

Broad split of PFCE into basic and discretionary spending



Note: Basic items include food, clothing and housing. Discretionary items include education, healthcare, electricity, water supply, footwear, personal care products, processed foods, alcoholic and non-alcoholic beverages, tobacco, narcotics, fuel and gas, furnishing and household equipment, vehicle and personal transportation, spending on recreation and culture, communication, restaurants and hotels, financial insurance and other financial services, and other items not elsewhere classified.
Source: MoSPI, CRISIL MI&A

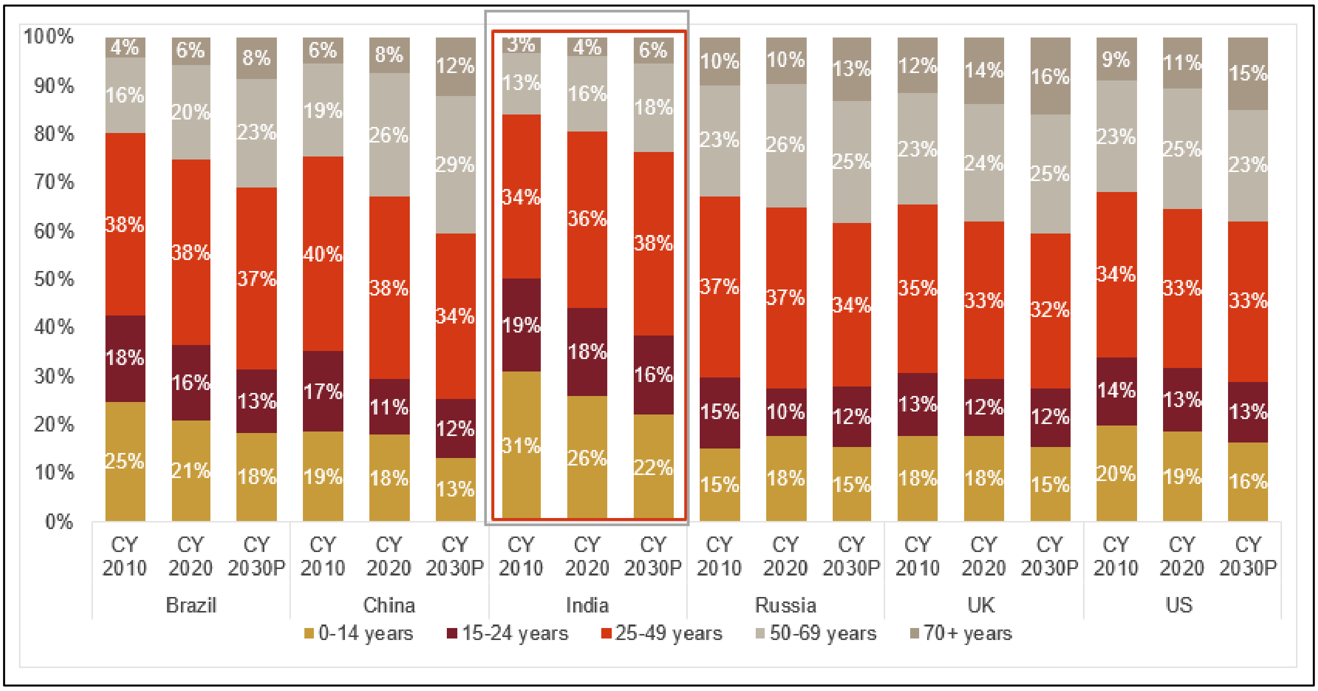
Population to clock 0.8% CAGR between 2020 and 2030; By 2030, approximately 39% of population to belong to age group of 0-24 years

According to the United Nations ("**UN**") World Population Prospects 2022, the country's population is expected to clock a CAGR of 0.8% between 2020 and 2030 to reach 1.5 billion by 2030. The UN has estimated that with 1.425 billion people, the country surpassed China to become the most populous country in April 2023.

As per the United Nations' 2022 Revision of World Population Prospects, India's youth (0-24 years) accounted for 44% of its population in 2020, significantly higher than that for some of its peers (Brazil at 37%, China at 29% and the Russian Federation at 28%).

This share is, in fact, expected to reach approximately 38% by 2030, and continue to remain significantly higher than that of its peers (Brazil at 32%, China at 25% and the Russian Federation at 28%). This also indicates a higher proportion of the population entering the workforce.

Age-wise population break-up (%) for key countries



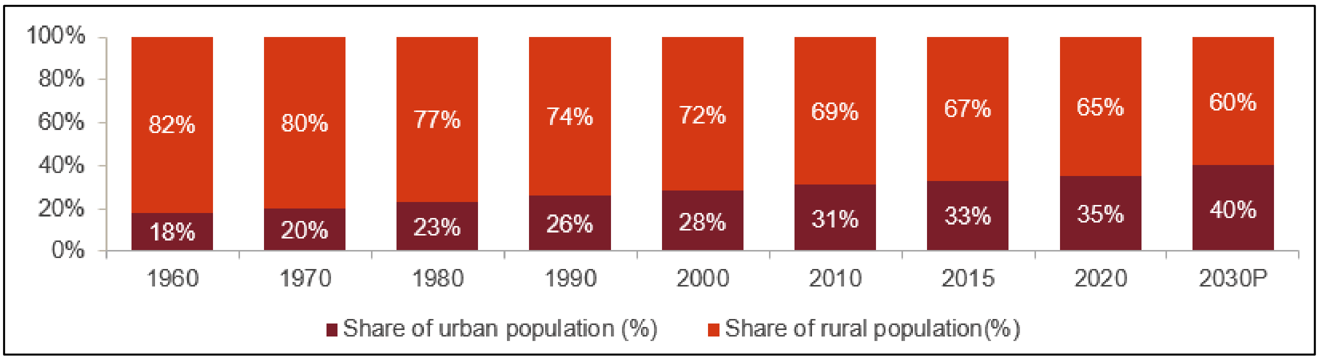
P: Projected

Source: United Nations, Department of Economic and Social Affairs, Population Division (2022); World Population Prospects 2022, CRISIL MI&A

Urbanisation likely to reach 40% by 2030

India's urban population has been increasing over the years. The trend is expected to continue in the medium term. From approximately 31% of the total population in 2010, urban population in the country reached 35% in 2020 and is projected to reach 40% by 2030, according to a UN report on urbanisation. People from rural areas move to cities for better job opportunities, education, and quality of life. Typically, migration can be of the entire family or a few individuals (generally an earning member or students).

India's urban population versus rural



Note: P: Projected

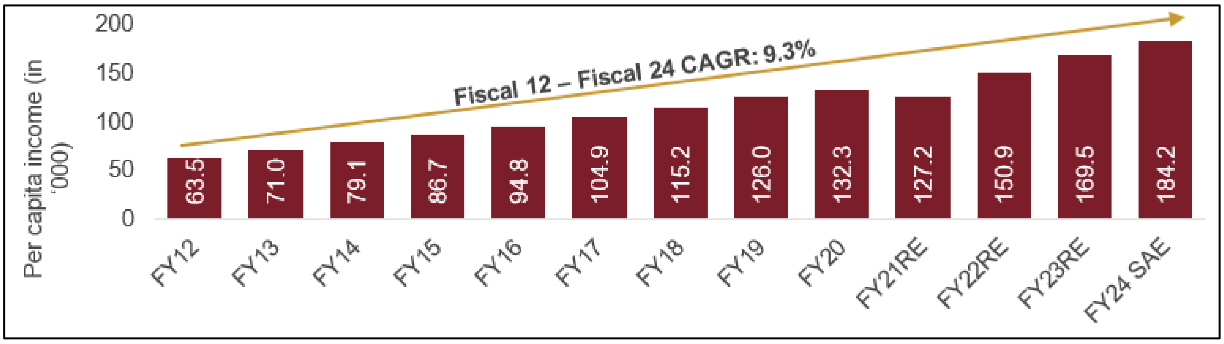
Source: World Urbanization Prospects: The 2018 Revision, UN, CRISIL MI&A

Rising disposable income and growing middle class in India to support discretionary spending

India's per capita net national income ("**NNI**") (constant prices), a broad indicator of living standards, rose to ₹ 106,744 in Fiscal 2024 from ₹ 63,462 in Fiscal 2012. This growth was led by better job opportunities, propped up by overall economic growth.

In terms of current prices, India's per capita NNI is expected to be ₹ 184,205 in Fiscal 2024 according to the GDP data published by the Indian Government. Higher disposable incomes have enabled consumers to indulge in discretionary spending, along with growth in basic spending. According to CRISIL, India may achieve upper-middle-income status by 2031. The rise in disposable income has expanded the consumer base for F&B products beyond urban areas to tier-II and tier-III cities in India. The middle class is the fastest-growing major segment of the Indian population in both percentage and absolute terms, rising at 6.3% per year between 1995 and 2021. This expansion has created new opportunities for companies to penetrate previously untapped markets.

India Per Capita Net National Income (at current prices) (Fiscal 2012 to Fiscal 2024)



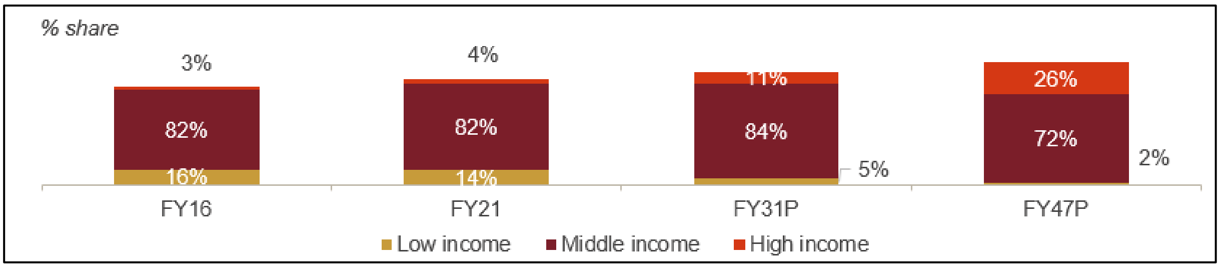
Note: RE: Revised Estimates; SAE: Second Advance Estimates
Source: MoSPI, CRISIL MI&A

Decline in poverty indicating rise in middle-income and high-income population in India will support consumption growth

The proportion of poor in India (defined as people living at or below ₹ 125,000 per annum) declined from approximately 16% to approximately 14% between Fiscal 2016 and Fiscal 2021, according to the ICE 360° survey by the People Research on India's Consumer Economy ("**PRICE**").

The proportion of middle- and high-income groups is expected to reach approximately 95% by Fiscal 2031. A positive economic outlook and growth across key employment-generating sectors (such as real estate, infrastructure, and automotives) are expected to have a cascading effect on the overall per-capita income of the population in the medium-to long-term. This, in turn, is expected to drive consumption expenditure and discretionary spending.

Income-based split of the population



Note:
P: Projected
Low-income group: Defined as a set of people earning less than ₹ 125,000 per annum
Middle-income group: Defined as a set of people earning between ₹125,000 and ₹ 3 million
High-income group: Defined as a set of people earning more than ₹ 3 million
Source: PRICE ICE 360° survey, CRISIL MI&A

Increase in number of households and nuclearization of families to drive demand consumption

Nuclearization of families is a significant shift from the traditional family structure in India, where extended families used to live together under the same roof. There are several reasons for this shift, such as increasing urbanization, modernization, and changing social norms. As more people move to urban areas in search of better job opportunities and a higher standard of living, they tend to live in smaller households due to the high cost of living in cities. According to the Indian census, the average household size has decreased from 5.6 members in 1991 to 4.9 members in 2011 and 4.4 by 2023. But this decrease in household size will increase the number of households in India. As per the Fiscal 2023 Periodic Labour Force Survey ("**PLFS**"), the number of households in India has increased to 294 million in Fiscal 2023 from 264 million in Fiscal 2019. This increase in number of households coupled with rise in per capita income will drive household consumption.

Female participation in the workforce

The female participation rate in the workforce in India has been rapidly increasing, the number of females in active employment has increased from approximately 97 million in 2018 to approximately 176 million in 2023, growing at a CAGR of approximately 13%. This is a positive trend that is contributing to an increase in dual-income households, which in turn has resulted in increased discretionary expenditure and to the overall growth and development of the Indian economy.

The participation of women in the labour market is primarily driven by various factors, viz., economic development, education levels, access to childcare and other supportive services and, ultimately, the cultural and normative context of social norms coupled with focused efforts by the government and private sector to increase female participation in the workforce.

LFPR in usual status for persons of age 15 years and above (in %)

Year	Rural			Urban		
	Male	Female	person	Male	Female	person
Fiscal 2018	76.4%	24.6%	50.7%	74.5%	20.4%	47.6%
Fiscal 2023	80.2%	41.5%	60.8%	74.5%	25.4%	50.4%

Source: Annual PLFS Report, MoSPI
Note: LFPR: Labour force participation rate

Assessment of FMCG and retail market in India

Indian retail market overview

Food and grocery segment dominates the Indian retail industry

In India, the overall retail market is estimated to be approximately ₹ 93.3 trillion as of Fiscal 2024. Among the various segments in Indian retail industry, food and grocery segment has the maximum share with 57.9% of the Indian retail market in Fiscal 2024, followed by apparel, jewellery and consumer durables.

Retail industry in India which grew by a CAGR of approximately 9.5% - 10% between Fiscal 2019 to Fiscal 2024 is expected to continue the growth trend and expected to grow at a CAGR of 10% - 11% between Fiscal 2024 and Fiscal 2028.

Retail market size trends in India for Fiscal 2024E

Segments	Market size (₹ trillion)	Share of the segment in the market
Food and grocery	54	57.9%
Apparel	8.7	9.3%
Gems and jewellery	6.2	6.6%
Consumer durables, mobiles and IT	4.6	4.9%
Furniture and furnishing	2.9	3.1%
Footwear	2.2	2.4%
Pharmacy	1.7	1.9%
Books and music	1.3	1.4%
Others	12.2	12.4%
Total retail market size	**93.3**	**100%**

E: Estimated
Source: CRISIL MI&A

The retail sector in India witnessed substantial growth, propelled by strong consumer demand and the launch of new retail spaces. This favourable trajectory is expected to persist in the coming years, with both retailers and consumers exhibiting prudent optimism. Notably, expansion in tier-I cities will continue, while several tier-II markets have emerged as promising destinations for retail expansion. Furthermore, shopping malls are evolving into experiential centres, offering a diverse array of entertainment, dining options, and immersive shopping experiences. This evolution is poised to exert a significant influence on the industry's trajectory in the coming years.

Key Trends in FMCG Retail in India

The Indian FMCG retail sector is undergoing a dynamic transformation, driven by a confluence of factors, including:

- **Rising share of Organized market:** The food and grocery segment accounts for a key share of the Indian retail industry, but remains the most under-penetrated segment with contribution of organized estimated at approximately 6% in Fiscal 2024, with unorganized players (such as mom-and-pop Kirana stores, cart vendors and wet markets) still dominating the market. The low organized retail penetration ("**ORP**") in the segment, signals tremendous opportunity for organized players; however, managing supply chain along with achieving economies of scale remains a challenge due to the products' perishable nature.

- **Premiumization:** Increase in disposable income has led to premiumization trend across key categories where consumers are switching up in terms of product purchases.

- **Sustainability Focus:** The preference for eco-friendly products and packaging is on the rise. As consumers become more conscious of their environmental impact, businesses are adapting to meet these demands and incorporate eco-friendly solutions into their products and packaging.

- **The Rise of Health and Wellness:** Health and wellness are key upcoming areas of interest for many Indian consumers. This translates to a growing demand for organic and health-focused FMCG products and includes food products as well as natural and organic personal care products.

- **Digital Transformation:** FMCG companies are embracing the power of digital tools. By leveraging big data analytics and artificial intelligence, they are gaining deeper customer insights, personalizing marketing strategies, and optimizing their supply chains for increased efficiency.

Key growth drivers in the FMCG Retail in India

- **E-commerce Boom:** The pandemic accelerated the shift towards online FMCG purchases and quick commerce. Rising internet penetration backed by increased consumer awareness is supporting the increased demand of FMCG from online channels. Along with quick commerce and new age online retail players, traditional, brick and mortar players are also providing grocery online supporting growth.

- **Evolving Brick-and-Mortar:** While e-commerce is growing, traditional stores are not disappearing entirely, but they are evolving. Convenience is key, with trends like contactless payments and smaller, hyper-local stores gaining traction. Additionally, physical stores are increasingly integrating with online platforms to create a seamless omni-channel experience, allowing customers to browse online and pick up in-store or vice-versa. Store additions by key retailers and entry into tier-II and III cities to drive growth in the medium term.

- **Commodity price trend:** Higher realisations due to commodity price inflation further aided the FMCG retail industry growth in Fiscal 2024.

Overview of the FMCG market in India

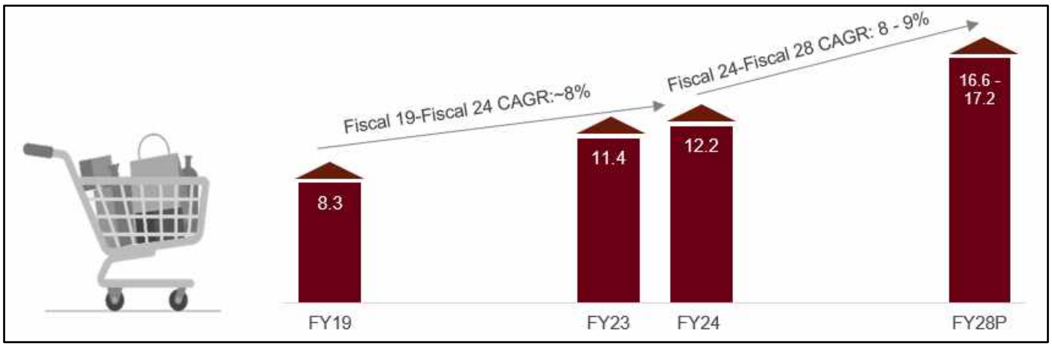
Indian FMCG industry is expected to grow at a CAGR of 8% - 9% from Fiscal 2024 – Fiscal 2028

CRISIL MI&A has considered the following segments to size the Indian FMCG industry:

- Food and beverages ("**F&B**")
- Personal care
- Home care

The overall FMCG industry has grown at a CAGR of approximately 8% from Fiscal 2019 to Fiscal 2024 in value terms, growing from approximately ₹ 8.3 trillion in Fiscal 2019 to approximately ₹ 12.2 trillion in Fiscal 2024. With demand rising in the long term, growth is expected to remain robust. CRISIL MI&A expects the Indian FMCG industry to grow at a CAGR of 8% - 9% from Fiscal 2024 to Fiscal 2028, growing in size to ₹ 16.6 trillion to ₹ 17.2 trillion from current levels.

India's overall FMCG industry size (₹ trillion)



Note: P: Projected; Source: CRISIL MI&A

F&B segment accounted for over 75% of the FMCG industry as of Fiscal 2024

	Market size (₹ trillion) Fiscal 2024	Size Breakdown
F&B	9.2 – 9.4	75% – 77%
Home Care	1.1 – 1.3	9% – 11%
Personal Care	1.5 – 1.7	12% – 14%

Source: CRISIL MI&A

F&B segment comprises branded food* and non-alcoholic beverages. Branded foods include items such as biscuits, chocolates, pulses, bakery items, staples, edible oil, dairy and milk products, ready-to-eat products, confectionaries, and others. Non-alcoholic beverages consist of packaged drinking water, carbonated soft drinks, packed fruit-based beverages, health–based beverages, and other beverages.

The **home care** segment includes products pertaining to fabric care, dishwashing, toilet and floor cleaners, insecticides, and air care. Items in this category are meant for frequent consumption.

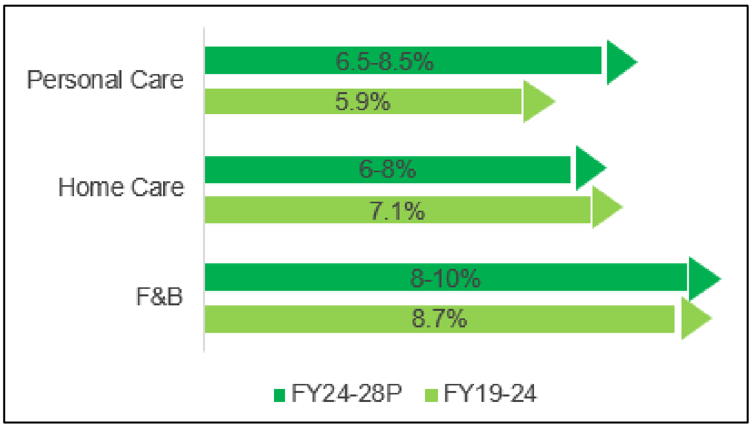
The **personal care** segment comprises cosmetics and toiletries. Cosmetics include colour cosmetics and beauty preparations while toiletries have segments such as oral care, hair care, skincare, toilet soaps, fragrances, deodorants, shaving products, among others.

**Please note, branded food include both packaged and unpackaged items for the respective categories considered. Food categories such as vegetables which do not go through any processing value add process fall under retail category but will not come under the F&B category of the FMCG industry.*

F&B segment expected to lead organized FMCG growth in the near future

India organized FMCG Industry size growth by segments

Industry size growth CAGR



Note: P: Projected; Source: CRISIL MI&A

F&B segment in the FMCG industry expected to grow at robust 8% - 10% CAGR

Food and Beverages is expected to drive demand in the industry with the segment poised to grow at 8% - 10% CAGR between Fiscals 2024 and 2028. The introduction of innovative products to suit local tastes and changing consumer preferences is expected to drive volume growth in the segment. Increase in rural penetration from current contribution of approximately 38% - 40% to the total FMCG sales also acts as a key driver. Government policies have been largely favorable for F&B players, with the exception of carbonated beverage players, with the government imposing 40% GST (including cess) on such drinks.

Home care segment

The home care industry is estimated to have grown at approximately 7% CAGR between Fiscals 2019 and 2024. The growth was led by an increase in premium products and the introduction of new brands in the already penetrated market. Increased penetration in the rural markets alongside good monsoon which resulted in better crop output and in turn resulted in higher disposable income, also contributed to the volume growth. Demand in this sector is driven by increase in population, per capita consumption, income levels, and rural penetration. Growth in this segment is mostly volume-driven due to the competitive pricing strategy followed by most players. Government policies for this industry also create a conducive environment.

Personal care segment

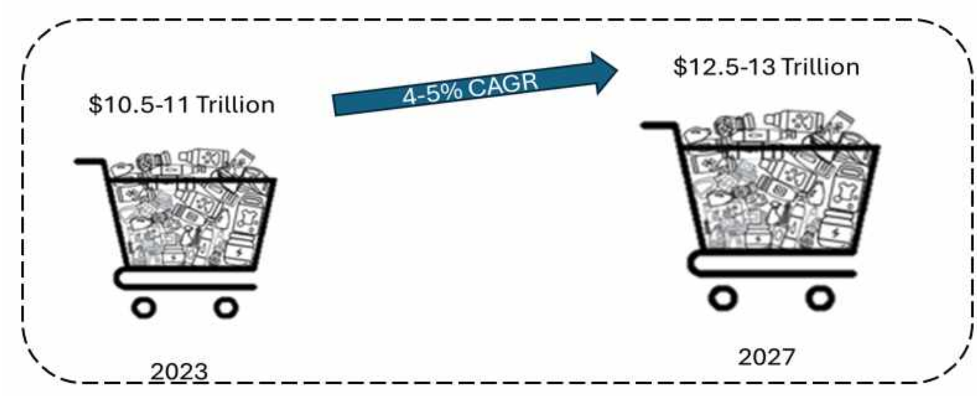
Overall, the personal care segment showed growth of approximately 5.9% CAGR between Fiscals 2019 and 2024. Going forward volume growth is expected to come from rural areas through increasing penetration from current contribution levels. Further, growth in demand for relatively under-penetrated products in urban areas such as shampoos, hair dyes, hair colours, skin care, etc., is being driven by an increase in consumption and up-trading. Emerging categories across product lines are growing strongly.

Assessment of consumer F&B industry

Overview of Global F&B industry

The global F&B industry reached a value of $10.5 trillion - $11 trillion in 2023. The market is expected to further reach $12.5 trillion - $13 trillion growing at a CAGR of 4%-5% by 2027 backed by key factors including increasing urbanization and disposable income in developing countries, rising demand for convenient and healthy food options, and growing popularity of e-commerce for food and beverage purchases. The Asian Pacific region is a key market for F&B. This is due to the large and growing population, rising disposable incomes and growing demand for processed, convenient, and healthy foods.

Global F&B market to continue growth momentum in the medium term



Source: CRISIL MI&A

The sector exhibits significant strengths and growth drivers including:

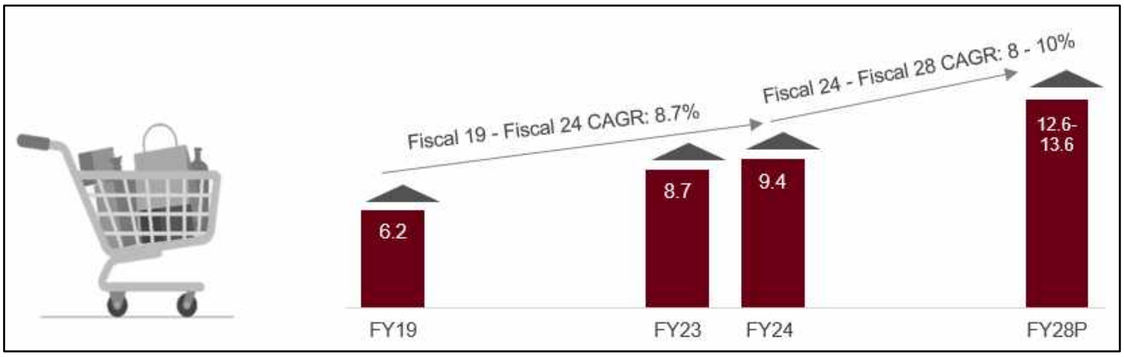
- **Rising Global Population:** The global population, exceeding 8.1 billion according to the United Nations, is a fundamental driver of growth in the food and beverage industry. With more population to consume, the demand for food and beverages naturally increases.
- **Evolving Consumer Demands:** Consumers are becoming increasingly health-conscious, demanding healthier, fresher, and more convenient food and beverage options. This trend fuels the growth of organic, functional, along with the rise of ready-to-eat meals and on-demand delivery services.
- **Growing Disposable Income**: As economies develop worldwide, disposable income is also rising. Consequently, consumers are increasingly spending more on food and beverages, including specialty and niche segments.
- **Technological Innovations:** Technological advancements are transforming the F&B industry across all stages, from farm to fork. This includes innovations in production processes, packing solutions and food preservation techniques.
- **Sustainability:** Environmental concerns are a key focus. The industry is embracing a circular economy approach, minimizing waste by using recycled materials, composting food scraps and exploring innovative packaging solutions. Eco-friendly packaging made from biodegradable or compostable materials is replacing traditional plastic options.

The F&B industry, while robust, is sensitive to external factors like geopolitical tensions, policy changes, and extreme weather events. These dynamics can disrupt supply chains, demand, and international trade.

Overview of F&B segment of FMCG industry in India

The F&B segment of the Indian FMCG industry in India has grown at a CAGR of approximately 8.7% from Fiscal 2019 to Fiscal 2024 in value terms, supported by growth across categories such as staples, packaged food, packaged drinking water, tea among others. Favourable population demographics and rising disposable income further supported consumption growth across key categories. CRISIL MI&A expects the Indian F&B segment of the FMCG industry to continue the growth trend, growing at a CAGR of 8% - 10% from Fiscal 2024 to Fiscal 2028, growing in size to ₹ 12.6 trillion to ₹ 13.6 trillion.

F&B Industry in India (₹ trillion)



Note: P: Projected; Source: CRISIL MI&A

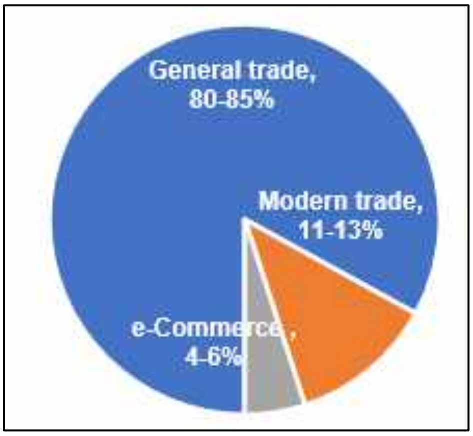
Indian F&B distribution continuous to be dominated by General trade; Modern trade and E-commerce expected to make headways

The F&B industry in India has grown across channels such as general trade ("**GT**") (Kirana shops, mom-and-pop stores), modern trade ("**MT**") (national and regional chains), and online channels (direct-to-consumer platforms/aggregators). The COVID-19 crisis has brought many challenges and opportunities, not only for F&B businesses and retailers but also for e-commerce channels. The impact varies by channel, but the channels have continued to work in synchronization.

General Trade accounted for the majority share of 80% - 85% with Kirana stores playing a significant role in the Indian F&B sector. B2B distribution companies are changing the traditional way in which Kirana stores were serviced in the past. They are competing with F&B distribution to reach Kirana stores. Businesses use eB2B to directly contact manufacturers to source products for efficient inventory management and for wider product offering. The share of general trade while expected to reduce in the medium term, is still expected to maintain a dominant share.

FMCG companies have started to utilize omni-channel strategy that allows companies to connect all its touchpoints, such as brick-and-mortar shops, social, website, email, and mobile. With increasing online shopping trend, the leading FMCG companies have started building an online presence through the platform and D2C website to build wider presence. The share of e-commerce channel in the F&B segment reached approximately 4% - 6% in Fiscal 2024, with the rise of online food delivery and growth in the quick commerce industry. Modern retail outlets accounting for approximately 11% - 13% of the current split are expected to evolve further with the help of technology and newer models, that will help them gain share in overall F&B sales.

Share by channel (Fiscal 2024E)



Source: CRISIL MI&A

Key growth drivers impacting the F&B segment of the FMCG industry in India

India's median age is expected to remain lower compared with the global median age

India's favourable demographics are a powerful driver for the F&B sector. India has a rapidly growing and relatively young population, with a median age of 27.3 years as of 2020. Younger Indians display a generational shift in spending behaviour, being less price-conscious than their predecessors. This trend is expected to continue up to 2030, implying strong potential for an increase in income and consumer spending, with a growing proportion of the population engaged in employment.

Rising income levels and participation of women in workforce of aid to increasing demand of F&B products and consumption

India's per capita net national income (constant prices), a broad indicator of living standards, rose from ₹ 63,462 in Fiscal 2012 to ₹ 106,134 in Fiscal 2024, representing a 4.4% CAGR. At the same time, increasing literacy rate and changing mindsets have led to an increase in the number of working women in India. This is expected to further aid the increase in the number of working women in the coming years, supporting overall rise in the income level. The combined mix of greater purchasing power and willingness to spend has resulted in a change in consumption patterns. Growth in household incomes and, consequently, disposable incomes, are critical to the overall growth in demand for F&B products.

Rising Urbanization

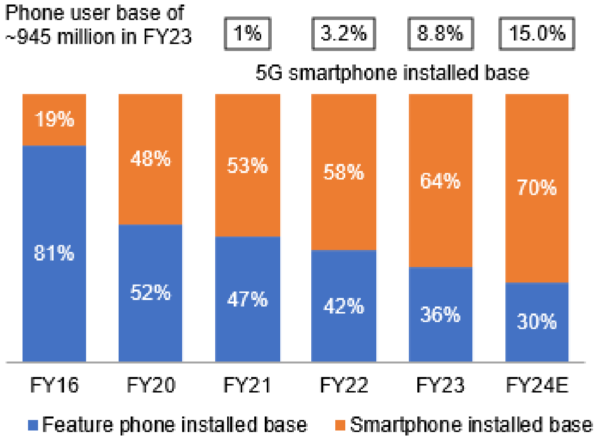
India's urban population has been rising over years and the uptrend is expected to continue. This rapid urbanization is expected to contribute to significant market potential for the F&B sector.

Rising internet penetration supporting growth

Internet penetration has significantly deepened in India over the past 6-7 years, driven by an increase in the use of smartphones, ease of internet access in rural areas, as well as affordable data plans offered by ISPs. The share of smartphone in the overall phone user base has increased from approximately 19% in Fiscal 2016 to approximately 70% in Fiscal 2024, supporting the growth of wireless internet penetration from approximately 25% in Fiscal 2016 to approximately 66% in Fiscal 2024.

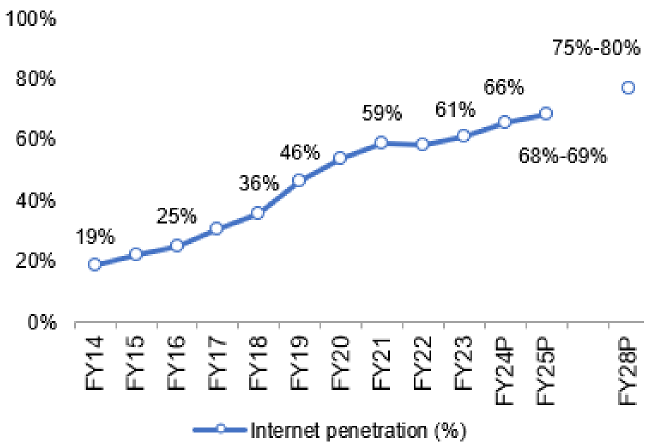
The deeper penetration of internet has increased the accessibility to e-commerce. With online consumer markets, the accessibility of grocery and beverages products has eased. The online grocery and retail channels have gained prominence, which is likely to further boost the growth of F&B sector.

Smartphone share in the Indian mobile market



E: Estimated
Source: Publicly available data on smartphone and mobile shipments through various research agencies, CRISIL MI&A

Wireless internet penetration in India



P: Projected
Note: Internet penetration is for per 100 population as per TRAI report
Source: TRAI, CRISIL MI&A

Innovation in technology and product mix

Companies are increasingly manufacturing products across price points and innovating product categories to cater to different consumers with varying tastes and preferences. Innovations are driven by a mix of technology and consumer insights. This should lead to a rise in penetration across various segments, leading to overall healthy growth in the industry over the medium term.

Opportunity in rural India

Lower penetration of FMCG industry in rural markets offers room for further growth. Rural India accounts for over 65% of the country's population but contributes just approximately 38% - 40% of FMCG sales, indicating significant growth opportunities over medium term.

Government's thrust on industry to further support growth

Improvement in supply chain infrastructure through food parks

The expansion of cold storage, transportation and other critical supply chain infrastructure across the country will result in a rise in the growth of the consumer foods industry over the long term, as it will reduce wastage and increase the shelf-life of the food products. As of December 2023, a total of 41 mega foods parks have been sanctioned by the government. So far, 24 are operational and 17 are under implementation.

Foreign Direct Investment ("FDI")

Indian government has progressively liberalised the FDI policy in the FMCG sector which has led to increase in foreign investment. 100% FDI is allowed under the automatic route in the food processing sector and 100% FDI under government approval route is allowed for trading including through e-commerce, in respect of food products manufactured or produced in India. Positive investment policies to support industry growth in the medium to long term.

Make in India

The "Make in India" program launched in 2014 aims at promoting India as an attractive investment destination and a global hub for manufacturing, design and innovation. The initiative is aimed at creating a conducive environment for investment, modern and efficient infrastructure, opening up new sectors for foreign investment and forging a partnership between Government and industry through positive mindset. 25 sectors have been identified under the Make in India initiative, including Food Processing.

Goods and Service Tax ("GST")

In the past, the FMCG sector paid multiple taxes such as VAT, service tax, excise duty, and central sales tax. The sector's collective tax rate was 22% – 24%. The GST regime changed this. Different tax heads are now bracketed under just one – GST, and the tax rate is now under 18% (with exceptions in few sub sectors such as carbonated drinks which has 40% GST, including cess). GST has impacted this sector on several fronts such as logistical costs, business operations, warehousing, and pricing of individual goods.

Production Linked Incentive ("PLI") Scheme

The PLI scheme for the food processing industry was announced with a capital allocation of ₹ 10,900 crore to run through Fiscal 2022 to Fiscal 2027. The scheme focuses on ready-to cook/ ready to eat ("**RTC**"/ "**RTE**") foods including millets-based products, processed fruits and vegetables, eggs, poultry, egg and marine products, and mozzarella cheese. The implementation of the scheme is expected to aid the expansion of processing capacity, which will generate increased output. The scheme aims to generate employment for approximately 2.5 lakh persons. As of September 30, 2023, Quarterly Review Reports from PLI beneficiaries indicate the creation of employment for 237,335 persons.

Priority-lending status

The priority-lending status given to the consumer foods industry would help it grow at a strong pace, as more companies will plan to invest in it bridging liquidity requirements of retailers and traders.

Key regulatory factors impacting the F&B industry

Food Safety and Standards Act ("FSSA")

The FSSA has a significant impact on the consumer F&B industry in India, as it establishes food safety standards and regulations that businesses must comply with. The law requires businesses to maintain high standards of hygiene and safety in the manufacturing, storage, and distribution of food products, and provides for penalties and enforcement measures for non-compliance. Compliance with the FSSA is essential for ensuring the safety and quality of food products, protecting public health, and maintaining customer trust and loyalty. The implementation of the FSSA has led to the growth of a more regulated and safer industry in India.

The Agricultural and Processed Food Products Export Development Authority ("APEDA")

The APEDA is a government agency that was established in 1985 to promote the export of agricultural and processed food products from India. APEDA is responsible for the development and promotion of export-oriented production in the country's agriculture and processed food sectors. Some of the key functions of APEDA include:

- Development of infrastructure for the processing and packaging of agricultural and food products.
- Promotion of export-oriented production in the agriculture and food processing sector.
- Registration of exporters of agricultural and processed food products.
- Quality control and inspection of agricultural and processed food products for export.
- Promotion of research and development of new products and packaging materials.

Key threats and challenges faced by the F&B industry

Inadequate infrastructure

Lack of adequate transport systems and road infrastructure, especially in rural areas, increases production costs for F&B companies in India. Similarly, the lack of proper refrigeration infrastructure and power shortages can severely affect the distribution and sale of various products such as milk, ice cream, among others. In general, F&B companies have to consider these issues when planning their supply chains.

Highly competitive industry

The F&B industry consists of domestic players covering pan India or showing regional presence along with large foreign players supplying in the Indian market. This results in intense competition among the players. Consumer switching costs are very low in the F&B industry which results in businesses investing aggressively in marketing and promotional efforts.

Quality and safety

Food and beverages products carry quality and safety risks which may impact the consumers and also the brand. Implementation of identification, control and improvement process is critical to production process.

The industry is also required to follow regulatory norms and compliances including national and international norms (basis export / import requirements). Non-compliance to the relevant respective norms may impact the business categories.

Prevalence of counterfeit products

Counterfeit goods damage brand reputation and lead to lost sales for businesses. To avoid huge losses related to counterfeit goods, industry players have to make efforts to better manage their distribution channels instead of leaving them to market forces. The presence of unorganized players also leads to counterfeiting of products.

Lack of irrigation penetration and productivity in agriculture

Food and food processing sector is dependent on the agriculture sector, which is turn is dependent on the erratic monsoons. Since the penetration of irrigation is strong in only select states, many agri products face production and price volatility each year.

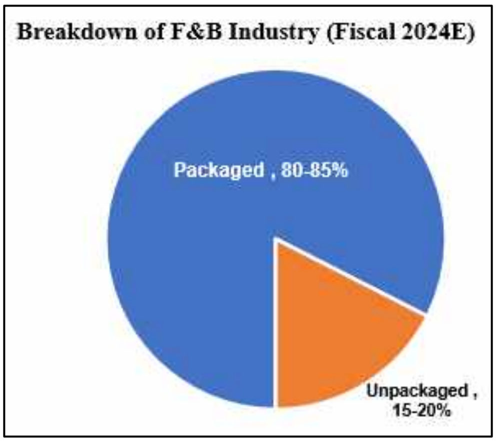
Volatility in commodity / raw material prices

Commodity or raw material price fluctuations can impact the cost of production. An increase in production cost could result in lower margins or higher product prices which may further impact demand.

Review of packaged F&B segment of the FMCG industry in India

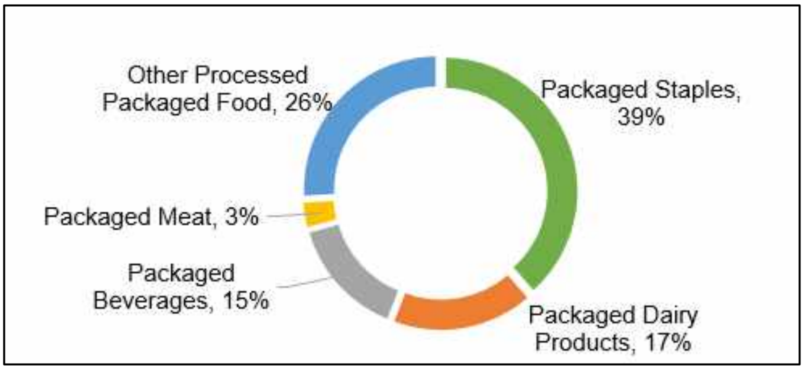
Share of packaged F&B in the Indian F&B industry has seen an increase over the years to approximately 80% - 85% in Fiscal 2024.

Indian packaged F&B segment is dominated by staples including edible oils followed by packaged dairy and beverages. Increased dairy surplus along with rising preferences for packaged products in non-milk category supported the growth of packaged dairy over the past few years. Within packaged beverages, increased consumption trends have been observed across sub segments including carbonated drinks, fruit-based beverages, RTD and packaged drinking water.



Source: CRISIL MI&A

Share in Indian Packaged F&B Industry (%, Fiscal 2024)



Source: CRISIL MI&A

Overview of key trends and growth drivers of packaged F&B in India

Evolving demographic trends in consumption

With rapid urbanisation and burgeoning middle class, India's consumer landscape is undergoing profound changes. Urban consumer, in particular, are more exposed to global food trends through travel, media and digital platform. With the rise of the middle class in India, the consumption pattern of food and beverages has changed significantly. The demographic shift also includes an increase in the number of working professional and dual income household, driving demand for convenient, time saving and food option like ready to eat meals and snacks.

Shift towards branded products

There has been a continuous shift from unbranded to branded F&B products in India over the years. Consumers are now more conscious of the quality, safety and consistency of the products they consume and purchasing decisions are being based on trust and familiarity. Branded products offer assurance in terms of ingredients, manufacturing standard and hygiene. Additionally branding enables companies to differentiate their product, building consumer trust and command premium pricing.

While categories such as salt, tea and coffee have traditionally enjoyed higher share of branded players, rising share of branded products in pulses, spices and ready to drink beverages poses higher growth potential for organized and branded players.

Low unit and bridge packs key strategies adopted by F&B players

Low unit pack sizes have played a key role in driving the growth of the F&B industry especially in the affordable and rural market segments which addresses the affordability barrier. The smaller pack enables consumers to access branded product without committing to large quantities or higher upfront cost. This also cater to the growing trend of value for money shopping, where consumers seek smaller, more frequent purchases to manage their budgets effectively.

The ₹ 2 - ₹ 20 packages form key price points in the F&B industry and have higher turnaround. Further, in times of higher inflation, consumers turn to low unit packs to control budgets. Price increase or decrease in grammage (lower quantity per package), however, remain key challenges in the low unit packages since the consumer in this category is highly cost sensitive.

Price-value architecture

Price value architecture encompasses the perceived benefits that consumers derive from a product relative to its price. Increased awareness among consumers and changing preferences creates need for F&B companies to constantly monitor consumption patterns. Companies strategically position their products to offer compelling value propositions, balancing factors such as quality, features, and pricing to meet diverse consumer needs and preferences. This may involve introducing entry level variants, premium offering and promotional schemes tailored to different market segment and purchasing occasions. Large organised / branded players further utilise large data sets, consumer feedback and brand awareness studies to better position their offerings and gain higher market share.

Product innovations

In India, F&B companies are investing in R&D to develop innovative products that cater to evolving consumer preferences such as healthier alternative, convenience foods and ethnic flavours.

Additionally, companies are investing in new production processes, ingredients, and packaging technology to enhance the quality and shelf life of their products, while also improving cost efficiency.

Key areas of product innovations in the F&B categories include:

- Plant based protein
- Organic products
- Health and wellness
- Unique blends for different demographics

Premiumization

Premiumization refers to the trend of a consumer trading up to higher priced product that is justified by an increase in its perceived value. Premiumization is a business strategy that involves offering high-quality products at premium prices to meet the growing demand for unique experiences among consumers. In India, this trend has been gaining popularity in the F&B industry, with consumers willing to pay more for products that are perceived to be of higher quality. This has led to the emergence of premium food brands catering to the needs of discerning consumers.

Rising disposable income and increasing trend for personalized experiences are key factors driving premiumization in India, the ready to drink / beverages industry has been a key category which is witnessing this trend, along with other food categories.

Growth of quick commerce

The growth of quick commerce, fuelled by the rise of e-commerce and online food delivery platforms, has emerged as a major driver of the F&B industry in India. This trend has been driven by the increasing convenience and accessibility offered by online ordering and delivery services that allow consumers to order food and beverages from the comfort of their homes while being able to choose from a relatively wider variety of products. As a result, there has been a significant increase in the demand for food delivery services, creating new business opportunities for companies operating in this space.

Quick commerce has been a rising trend in the urban market especially tier-I / metro cities, supported by quick commerce infrastructure development by key delivery companies in the space. Groceries and beverages have been the key beneficiaries of the quick commerce culture.

Evolving consumers preferences towards health and wellness / organic

Product innovations in the F&B space include research and development to create new products that are organic, healthy, and natural, as well as providing clear and transparent information about the ingredients, nutritional content, and sourcing of their products.

Consumer segments in India are becoming increasingly health-conscious and are looking for F&B products that are organic, healthy, and natural. Both established brands and new age companies are targeting the consumers in this space.

Assessment of select packaged F&B products in India

Overview of select packaged F&B products in India

Key packaged F&B categories poised to see healthy growth in the medium term

Category	CAGR FY24-28
Tea	5%
Coffee	6%
Salt	5%
Packaged beverages / Ready to Drink(RTD) beverages	9%
Pulses	7%
Spices	15%
Snack foods	20%
RTE/RTC	20%

Source: CRISIL MI&A

Review of select packaged F&B products in India

Category
Tea
India is the world's second-largest tea producer and accounted for approximately 20% - 23% share of the global production in 2023. Global tea production is mainly concentrated in China, India, Sri Lanka and Kenya (collectively accounting for 80-85% of global production). Majority of the tea produced in the country is consumed domestically. In 2023, production remained stable to the previous year and produced 1,368 million kg of tea. Share of packaged tea in overall tea consumption in India has seen consistent increase in share over the past 5-7 years with brands introducing different variants and packaging options.
Coffee

The presence of corporates in coffee plantations is minimal (in comparison to tea) in the Indian market, and is limited to processing, trading activities and retailing. Corporate players compete on the basis of price, quality, brand image and distribution reach. Increasing preference for instant coffee has further supported the demand growth of packaged coffee by branded players. Corporate presence in the filter coffee segment is dominated by various local brands concentrated majorly in southern India. For Fiscal 2024, we expect the coffee industry to grow as the market is expected to experience a surge in demand as consumers increasingly embrace specialty coffees and instant coffee mixes.
Salt
India is one of the largest producers of salt after China and US with Gujarat having the highest share in the overall production in India. Salt consumption in India is driven by food cultures and regional tastes, resulting in organized salt manufacturers providing different variants and brands of salts to cater to the wider needs of consumption as well as price points.
Packaged beverages/RTD beverages
The packaged beverage/RTD beverages industry is projected to exhibit high growth driven by increased volume demand, necessitated by higher consumer preferences, and a strategic adjustment in retail prices by major players to offset escalating raw material costs. During Fiscal 2024, the demand for carbonated drinks, soda, packaged water, and healthy food drinks witnessed substantial growth. Looking ahead, the industry is poised for further expansion. The extended summer period, delayed onset of winter in northern regions, are anticipated to drive an overall growth.
Pulses
The pulses are an important food item in the diet of India's masses. A large part of India’s population has inclination towards vegetarian cuisine which leads to pulses being one of the key sources of protein for them. The segment is driven by growth in regional brands and introduction of private labels by modern retailers. However, the market for packaged pulses is fragmented given the large presence of regional players.
Spices
India is a leading producer of spices in the world. Key spices produced in India include chilli, coriander, cumin, ginger and pepper among others. During 2022-23, the export of spices/spice products from the country has been 1.4 million tons valued ₹ 317 billion, recording the highest annual export values. Spices industry can be broadly classified into straight whole spices and blended spices with blended segment witnessing faster growth.
Snack foods
Snack foods includes traditional snacks (like bhujia, sev and farsan), chips and emerging snack foods (like corn rings, cheese balls and nachos). The Indian snacks is expected to grow on account of rising urbanization and change in consumption habits. Higher demand for packaged snacks instead of loose ones post the pandemic has further boosted sales for large players. The snacks market is skewed towards the unorganized segment, and remains highly fragmented, because of the diverse tastes and preferences of consumers. Within the snack foods, emerging snacks category is expected to see a faster growth in comparison to traditional snacks and chips categories.
RTE/RTC
The RTC sub-segment includes instant noodles, instant pasta, and breakfast mixes and soups. The RTE sub-segment comprises just-heat-and-eat Indian delicacies, such as curries, dals and rice as well as sauces, pickles and spreads, as well as frozen foods, such as fries, aloo patties, chicken patties and chicken nugget. The RTE segment accounts for a larger proportion of the market due to the increasing consumer preference for convenience foods on the back of rising urbanization and changing lifestyles in today's fast-moving world. RTE and RTC items have increasingly become permanent fixtures in Indian kitchens, as culinary skills decline and the younger generation looks for quick-food options, driving the fast growth pace in the organized RTE and RTC segments. Students and youngsters moving out of their hometowns to study or work and rising nuclearization are key demand drivers for the segments.

Source: CRISIL MI&A

Key Indian players in select F&B products

F&B product	Key Indian Company and their Brands									
	Tata Consumer	ITC	DS Spiceco	Patanjali	Reliance Retail	Mehrotra Consumer Products	HUL	Nestle	Adani Willmar	Others
Salt	Tata Salt	Aashirvaad Salt	Catch	Patanjali Namak	Good Life	Organic Tattva	NA	NA	NA	Sundar Health Salt, Keya Salt, Zoff
Pulses	Tata Sampann	Aashirvaad Organic	NA	Patanjali Pulses	Good Life	Organic Tattva	NA	NA	Fortune	Bharat
Spices	Tata Sampann	Aashirvaad, ITC Master Chef, Sunrise	Catch	Patanjali	Good Life	Organic Tattva	Knorr	Maggie	NA	Everest Spices, MDH Masala, Badshah Masala, MTR Masala, Zoff Spices, Pushp Masala, Aachi Masala
Tea	Tata Tea, Tetley	NA	NA	Patanjali Gold Tea, Patanjali Premium Tea	Aarambh	Organic Tattva	Brooke Bond, Lipton	Nestea	NA	Wagh Bakri Tea, Dabur Vedic Tea
Coffee	Tata Coffee Grand, Tata Coffee Gold	Sunbean	NA	NA	NA	Organic Tattva	Bru	Nescafe Gold, Nescafe Sunrise	NA	Country Bean Coffee, Davidoff Cafe
Snack Foods	Tata Soulfull	Bingo	Not Just Nuts, Snack Factory, Pulse Natkaare	Patanjali	Snactac	NA	NA	NA	NA	Lays, Kurkure, Balaji Snacks, Haldiram's, Bikanervala, Parle, Too Yum, Bikaji
RTE/ RTC	Tata Sampann, Yumside, Tata Simply Better	Kitchens of India, Sunfeast Yippee, ITC Master Chef	NA	NA	Desi Kitchen	Organic Tattva	Knorr, Kwality Walls	Maggie	NA	MTR, Haldiram's, Meal of the moment (MoM), Priya Foods, The Taste Company
Packaged Beverages/ Ready to Drink (RTD)	Tata Fruski, Tata Gluco+, Tata Copper+, Himalayan	B Natural, Sunfeast Milkshakes	Liquid Life	Patanjali	Yeah!, Sosyo, Thirsty Tales	NA	Kissan Squash	Nescafe	NA	Coca-Cola, Pepsi, Frooti, Bisleri, Real, Paper Boat, Maaza

Overview of organic packaged food and beverage market in India

Organic packaged food and beverage products are becoming increasingly popular among consumers who are looking for healthy and sustainable food options. These products are free from harmful chemicals and are considered to be safer and more nutritious than conventionally produced food and drink products.

Organic packaged food and beverage refers to food and drink products that are grown and manufactured using organic farming practices and are packaged and sold in an eco-friendly manner. Organic farming involves the use of natural methods to grow crops without the use of chemical fertilizers, pesticides, and genetically modified organisms. Farming practices are designed to minimize the impact on the environment and promote sustainable agriculture. Organic packaged food and beverage products are also free from artificial preservatives, colours, and flavours. Packaged organic food market includes packaged and processed organic food (and grocery) products sold through any retail channel. This will include products like processed dairy, fruits and vegetables, meat sold in packaged form.

India is one of the key producers of organic agricultural products

Organic farming is a sustainable and eco-friendly approach that ensures the production of healthy and nutritious food. It also promotes biodiversity and reduces the risk of soil and water pollution. Therefore, the growth of organic cultivated areas is a positive sign for the environment and the health of people. India is one of the key producers of organic agricultural products in the world, with more than 1.76 million hectares of land under organic cultivation.

The country has a vast potential for organic farming due to its diverse agro-climatic zones and rich biodiversity. The Indian government has been promoting organic farming through various schemes and incentives under the National Program for Organic Production ("**NPOP**") and the Paramparagat Krishi Vikas Yojana ("**PKVY**"). One such initiative is the "Jaivik Bharat" logo launched by the Ministry of Agriculture and Farmers Welfare ("**MoAFW**") in 2018. The MoAFW has also set up the National Centre of Organic Farming ("**NCOF**") to provide technical support and training to farmers in organic farming practices.

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
Cultivated Area (Organic), Area Hectare	1,492,611	1,618,464	1,764,677
Farm Production (Organic), MT	3,240,349	2,950,921	2,664,680
Total Export Quantity, MT	888,180	460,320	312,801

Source: Agricultural & Processed Food Products Export Development Authority (APEDA) and CRISIL MI&A

Out of the total cultivated area, 33% is organically cultivated during Fiscal 2023. Total organic cultivated area has grown by 8% during Fiscal 2022 and 9% during Fiscal 2023, reaching 17.65 lakh hectare in Fiscal 2023. This led to increasing interest and awareness among farmers towards organic farming.

Stringent certifications are required for domestic and export market, creating high barriers to entry

Crops that are sown or transplanted into fully organic land may be sold as organic, if they acquire certification under NPOP or Participatory Guarantee System for India ("**PGSIndia**"), which is a pre-requisite for handling organic food and is a requirement for taking registration or license under FSSR. To export organic fruits and vegetables, one needs to obtain an organic certification, a procedure for verification that the production process conforms to certain standards, under NPOP (for exports) or PGS (for sale in-Indian markets). Once certified, organic products are marketed, usually carrying a certification label, indicating that the products are certified as organic. The cost of certification can be relatively high in some cases, as it depends on farm size, volume of production and the choice of certification body.

Quality Certifications

The NPOP, under the Ministry of Commerce and Industry, governs the organic farming certification in India. Its standards and procedures are in accordance with other international standards regulating the import and export of organic products. Anyone who wishes to obtain organic farming certification for agricultural produce must apply in the requisite format along with the fee and complete field verification. The farmer should also ensure that his/her farm conforms to the standard laid out by the NPOP for organic crop production, beforehand.

Quality certifications for Indian Organic food Producers

Certifications	Year of establishment
National Program for Organic Production	2001
Participatory Guarantee Scheme for India	2011

Source: CRISIL MI&A

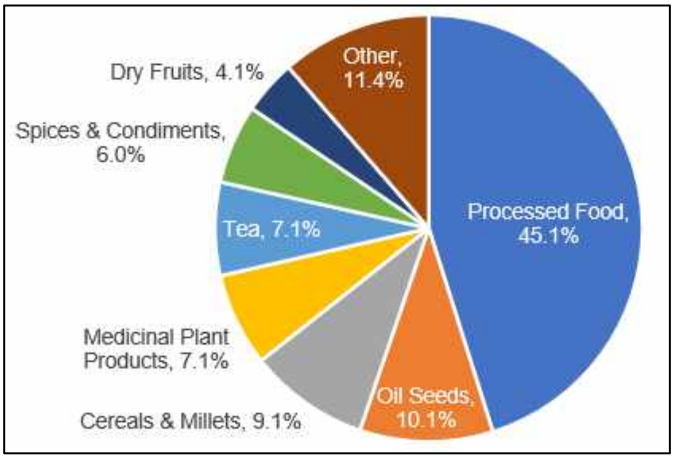
Quality certifications required for export to other countries

Country	Certification	Year of establishment
USA	USDA-NOP	1990
Europe	EU Organic Certification	2007

Source: CRISIL MI&A

India's organic food exports have been declining in recent times due to a lack of standards on ethylene oxide ("**ETO**"). ETO is an insecticide used to fumigate organic products during storage and is used to sterilize food and spices to prevent microbial contamination with salmonella. However, the presence of ETO in exports has led to the suspension of 3-4 certification bodies by the EU in July 2022 and the termination of the equivalence agreement with India's APEDA by the USDA in January 2021. Currently as of January 2024, the discussion with US is continuing and in the interim US had recognized 10 agencies including an Indian company OneCert International to carry out certification, on basis of which Indian consignments are accepted in the US.

Organic food category wise export market share in value terms (Fiscal 2022)



Source: Agricultural and Processed Food Products Export Development Authority (APEDA) and CRISIL MI&A

The largest exported category in organic food exports is processed food with market share 45.1%, by value of the total organic exports. This category includes a wide range of organic food products that have undergone some form of processing, such as canning, freezing, or drying. The processed food category may include items such as canned fruits and vegetables, dried fruits and nuts, and frozen ready-to-eat meals.

Oil seeds which accounted for 10.1% of the total exports includes organic seeds that are used to extract edible oils, such as sunflower seeds, sesame seeds, and mustard seeds. Cereals and millets (9.1% of the total exports) includes organic cereal grains and millets, such as wheat, rice, barley, and millet. These grains are used as staple foods in many cultures and are a key ingredient in a wide range of food products.

Medicinal plant products (7.1% of the total exports) includes organic plant products that are used for medicinal purposes, such as herbs, roots, and flowers. Tea (7.1% of the total exports) includes organic tea leaves and tea blends, and organic tea is in high demand due to its perceived health benefits.

Players are increasing offerings in Indian domestic packaged organic food and beverages market

In India's domestic market, the organic food segment is dominated by brands like 24 Mantra, Organic India, Pro-Nature, Organic Tattva, NatureLand Organics, etc. Further, there are brands such as Tata Sampann which operate in niche categories offering pulses, spices, dry fruits and other staples within the organic food space. Additionally, there are several smaller brands that are sold primarily through modern retail chains, specialty stores, and online channels.

There are a wide range of organic food products sold in the market, including staples, packaged food, spices, condiments, edible oils, ready-to-eat/cook meals, dry fruits, and organic beverages like tea. Organic food brands also export their products to countries like the USA, UK, and several European countries.

Product Categories of Key Companies in Indian Organic Food Market

Company name	**Sresta Natural Bioproducts Pvt. Ltd**	**Organic India Pvt. Ltd.**	**Pro Nature Organic Foods Pvt. Ltd**	**NatureLand Organic Foods Pvt. Ltd.**	**Phalada Agro Research Foundations Pvt. Ltd.**	**Mehrotra Consumer Products Pvt. Ltd.**	**Supermarket Grocery Supplies Pvt. Ltd.**
Brand	**24 Mantra**	**Organic India**	**Pro nature organic food**	**Nature land organics**	**Phalada agro**	**Organic Tattva**	**BB Royal Organic**
Staples							
Pulses	✓	✓	×	✓	✓	✓	✓
Flour	✓	✓	✓	✓	✓	✓	✓
Rice	✓	✓	✓	✓	✓	✓	✓
Salt and Sugar	✓	✓	✓	✓	✓	✓	✓
Noodle, Pasta etc.	✓	×	×	✓	✓	×	×
Spice and Condiments	✓	✓	✓	✓	✓	✓	✓
Oil and Fats							
Edible oil	✓	✓	✓	✓	✓	✓	✓
Ghee	✓	✓	✓	✓	✓	×	✓
Other Packaged food							
Snacks	✓	×	×	×	✓	×	×
Breakfast Cereals	×	✓	✓	✓	✓	✓	✓
Spread, sauces and Ketchup	✓	×	×	×	✓	✓	×
RTE and RTC	✓	×	✓	×	✓	×	×
Pickles	×	✓	×	×	×	×	×
Beverages							

Company name	Sresta Natural Bioproducts Pvt. Ltd	Organic India Pvt. Ltd.	Pro Nature Organic Foods Pvt. Ltd	NatureLand Organic Foods Pvt. Ltd.	Phalada Agro Research Foundations Pvt. Ltd.	Mehrotra Consumer Products Pvt. Ltd.	Supermarket Grocery Supplies Pvt. Ltd.
Brand	**24 Mantra**	**Organic India**	**Pro nature organic food**	**Nature land organics**	**Phalada agro**	**Organic Tattva**	**BB Royal Organic**
Tea	✓	✓	×	✓	✓	✓	×
Coffee	×	×	×	×	✓	✓	×
Juices	×	×	×	✓	×	×	×

Source: CRISIL MI&A

Growth drivers of organic packaged food and beverage market in India

Rising number of health-conscious individuals in India driving preference for health and sustainable foods driving demands for organic foods

Over the past few years, there has been a noticeable change in the mindset of consumers in India towards their health and well-being. This shift in behaviour has been further accelerated by the recent pandemic. People are now more conscious of the quality of nourishment they are getting and are increasingly focusing on consuming food supplements as part of their diet to ensure that they are taking care of their bodies. Consumers are getting educated on reading product labels through social media and other sources. They are also becoming more aware of the side-effects that chemically synthesized foods and health and wellness products can have on their health. This has led to a growing preference for natural substances over artificially created/modified products that contain harmful chemicals.

Organic products are free from harmful chemicals and are considered to be safer and more nutritious than conventionally produced food and drink products. This is one of the main driving forces behind the demand for organic products. With the COVID-19 pandemic, consumers have become more health-conscious and are looking to buy organic foods as a preventive health measure. This change in perception is likely to drive the growth of the organic food market in the future. In addition, rising disposable income in India is supporting the spending on consumables.

Government initiatives driving organic food industry

The government of India has taken several initiatives to promote organic farming in the country. These initiatives include providing subsidies to farmers, promoting organic farming through awareness campaigns, and creating a certification system for organic products. The government's efforts to promote organic farming have increased the availability of organic produce, which has led to the growth of the organic packaged food market. One such initiative is the PKVY, which aims to support and promote organic farming by providing financial assistance to farmers. Another initiative is the NPOP, which provides organic certification to farmers and ensures the quality of organic produce.

In addition, the government has also announced plans to set up organic food parks in various parts of the country to encourage the production and processing of organic food products. All these efforts have helped increase the availability of organic produce, which has led to the growth of the organic packaged food market.

Influence of Millennials

Millennials are moving towards a healthier lifestyle, improved eating habits, and cleaner living. The increasing media coverage on food trends and healthy eating, especially from social media influencers, has also significantly contributed to millennials' newfound interest in organic food. From the perspective of UN SDGs, this trend aligns with the goal of promoting sustainable consumption and production patterns (SDG 12). By choosing organic and sustainable products, millennials can contribute to reducing waste and improving the overall environmental impact of their consumption patterns.

High Cost and lack of standardization are some of the key challenges for the organic food market

- **High Cost:** Organic products are generally priced higher than their non-organic counterparts due to the higher cost of production. This makes it difficult for organic packaged food and beverage products to penetrate the market, as they are expensive as compared to standard products available in the market. Plus, the added advantage from extra cost is not perceivable to mass consumers due to lack of awareness, authenticity and standardization.

- **Lack of Awareness and Limited Availability:** Despite the growing awareness of the benefits of organic products, there is still a lack of awareness among many consumers. This lack of awareness makes it difficult for organic packaged food and beverage products to gain traction in the market. Organic packaged food and beverage products are still not widely available in India, especially in rural areas. This limits the reach of these products to a small section of the population, which in turn limits their growth potential.

- **Limited Processing and Packaging Facilities**: India currently lacks the processing and packaging facilities required to produce and distribute organic packaged food and beverage products on a large scale. This limits the production capacity and leads to higher costs, which affects the affordability of these products.

- **Lack of Standardization:** Organic certification standards and regulations in India are still in development and are not fully standardized. This leads to confusion among consumers and producers, which in turn affects the growth potential of the market. The lack of a uniform certification process also raises concerns about the authenticity of organic produce. While there are several agencies that provide organic certification, there is no centralized body that oversees the process. As a result, there is no way to ensure that a product is 100% organic.

The "Desi-Chinese" segment

The "Desi-Chinese" segment in India is described as a fusion of Indian and Chinese cuisine, which has gained immense popularity in recent years. Indian consumer do savour different cuisines from all over the world, but most of these often get an Indian touch. Say Paneer Tikka pizza for example provided mix of Italian and India flavour. Such blends of Indian and International Flavors are quite common.

Indianized Chinese food or Desi-Chinese is quite famous cuisine in India be it with restaurants or street food vendors across affordable comfort food, fine-dining experiences, convenient takeaway options, and large-scale celebrations options. Desi Chinese dishes include Hakka noodles, fried rice, Manchurian, and Chilli Chicken, among others. These dishes are typically prepared with a blend of Indian and Chinese spices and ingredients, giving them a unique taste and flavour. From Hakka Noodles, Chow Mein and Schezwan Chicken to Chilli Paneer and innovations like Chicken Manchurian, the Chinese food in Indianized to gradually adapting to the Indian tastebuds, becoming one of the most ubiquitously available flavours in the country. It can be regarded as one of the initial few international cuisines to be savoured by Indians.

The cuisine is also gaining demand for ready-to-cook and ready-to-eat home segment. From Chinese Bhel to Indianized versions of Chinese sauces and flavours being pre-packed and ready-to-cook – the gourmet food products are also catching on and becoming widely popular products in the Indian market. FMCG companies are providing various RTE and RTC products such as noodles, soups, masala, instant noodles, sauces with Chinese flavours and ingredients.

Desi-Chinese Key Companies and product segment category overview in India

Company name	Brands	Chinese Noodles	Chinese Soups	Chinese Sauces (RTC)	Chinese Masala	Chinese Chutney / RTE Sauces	Presence in Non-Chinese RTE / RTC
Capital Foods Pvt Ltd.	Ching's Secret	✓	✓	✓	✓	✓	✓
G.D. Foods Manufacturing (India) Pvt. Ltd.	Tops	×	×	✓	×	✓	✓
All That Dips Pvt Ltd	Bechef	×	×	✓	×	×	×
VRB Consumer Products Pvt. Ltd.	Veeba	×	×	✓	×	✓	×
Masterchow Foods Pvt. Ltd.	Master Chow	✓	×	✓	×	✓	×
Desai Foods Pvt. Ltd.	Mother's Recipe	×	×	✓	×	✓	×
Wingreens Farms Pvt. Ltd.	Wingreens	×	×	✓	×	×	×
Keya Foods International Pvt. Ltd.	Keya	×	×	×	✓	×	×
Hindustan Unilever Ltd.	Knorr (HUL)	×	✓	×	×	×	×

Source: CRISIL MI&A

The table above lists some of the key players in the Indian market for Chinese cuisine products, including noodles, soups, sauces, masalas, and chutneys. Ching's Secret, Tops, Bechef, Veeba, Master Chow, Mother's Recipe, Wingreens, Keya, and Knorr (HUL) are some of the popular brands that offer a range of Chinese cuisine products in India.

Ching's Secret is a well-known brand that offers a range of Chinese noodles, soups, sauces, and masalas. Tops is another popular brand that offers Chinese noodles and sauces. Bechef is a relatively newer brand that offers a range of Chinese sauces, including Schezwan sauce, Hoisin sauce, and Stir Fry sauce. Veeba, on the other hand, offers a range of Chinese sauces, as well as Chinese chutneys and dips.

Key Trends and Growth Drivers

Online food delivery platforms

The increasing popularity of online food delivery platforms such as Zomato, Swiggy, and Uber Eats has led to a surge in demand for Chinese cuisine products. This has opened up new avenues for businesses operating in this segment to reach a wider audience and generate more revenue.

Rise in number of Chinese cuisine restaurants and cafes

The increasing number of Chinese cuisine restaurants and cafes across India has further fuelled the growth of this segment. This trend is driven by changing consumer preferences and the increasing popularity of fusion cuisine. In recent years, popular chains of Chinese cuisine restaurants, known for their authentic Chinese dishes and contemporary décor have opened many new outlets across India.

Focus on health and wellness

Many brands are now offering healthier versions of Chinese cuisine products, such as gluten-free and low-fat noodles and sauces. This trend is driven by the increasing focus on health and wellness among consumers, which is leading to a shift towards healthier food options.

Growing preference for Desi-Chinese and quick cooking options at home by consumers

Desi-Chinese cuisine products are increasingly become permanent part of grocery list for Indian kitchens. There is decline in culinary skills and increasing consumer preference for quick cooking options for Desi-Chinese. The younger generation is increasingly looking for quick-food options as students and youngsters are moving out of their hometowns to study and work, the lack of infrastructure and time for cooking has forced them to favour Desi-Chinese products like instant noodles, chutneys/sauces and other RTE/RTC items. The instant noodle segment within RTE/RTC is expected to grow by CAGR 18% - 20% over the next five years.

In particular, the snacking segment is estimated to see significant growth due to strong consumption demand by households. This is driven by an increase in snacking occasions, the rise of hybrid and work-from-home culture, as well as consumers' preference for trusted and safe brands after the pandemic. With consumers seeking convenient food options, the segment is estimated to grow by 16% - 18% in Fiscal 2024.

There is also growing preference for new cuisines and tastes which is further expected to drive demand for the segment.

Key Challenges

Availability of raw materials

Many of the ingredients used in Chinese cuisine are not easily available in India, which has resulted in an over-reliance on imports. This includes Sichuan pepper, Shaoxing wine, black bean sauce, hoisin sauce, and oyster sauce. This can drive up costs and impact the profitability of businesses operating in this segment.

Intense competition

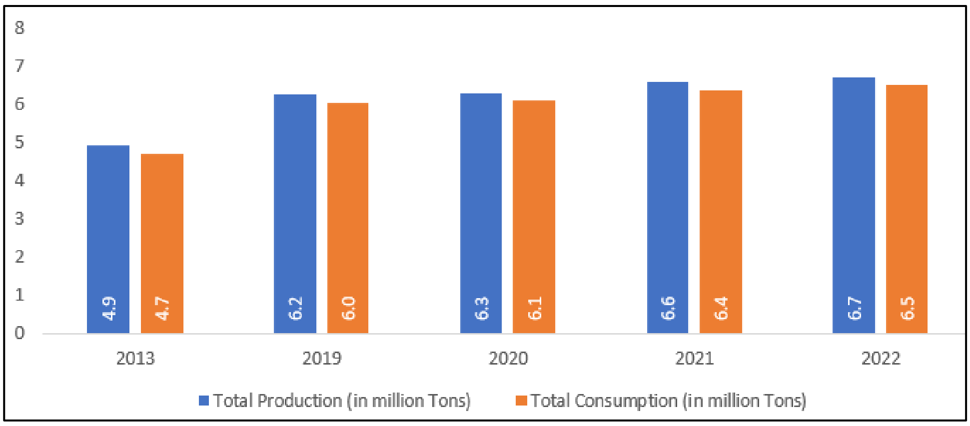
The Desi-Chinese segment in India is highly competitive, with many brands vying for market share. This can lead to price wars and aggressive marketing strategies, which can impact the sustainability of businesses in the long run. Ching's Secret is a popular brand that offers a range of Chinese cuisine products in India, including noodles, soups, sauces, and masalas. The brand is known for its innovative marketing campaigns and has a significant presence in major cities across India.

Quality control

Maintaining consistent quality across different batches of products can be a challenge in the RTE/RTC segment. This can impact the reputation of businesses and lead to a loss of customers.

Overview of Global Tea and Coffee industry

Global tea production and consumption on a rising trend



Source: Food and Agriculture Organisation of United Nations, CRISIL MI&A

Key trends impacting the global tea consumption

Increased popularity of herbal teas

Consumers nowadays are placing a greater emphasis on health which is fuelling the rise in demand for natural and organic foods. Tea has benefited from this change. Herbal tea which is a popular subcategory that has grown in popularity is one that fits in well with this transition. Green tea, ginger tea and chamomile tea are a few of the famous herbal teas. Tea companies that provide these choices and effectively promote their wellness and health benefits can better adapt to changing consumer preferences.

Focus on sustainability

The increasing demand for sustainable products goes hand in hand with an emphasis on wellness. Selected customer segments now take sustainability into account when making buying decisions. Tea industry deals with many challenges such as deforestation, water scarcity and soil erosion resulting in the focus shifting towards sustainability.

Using recyclable packaging, reducing water usage and sourcing tea form sustainable tea plantations are some of the key practices being adopted by leading players to focus on sustainability aspect of the product portfolio.

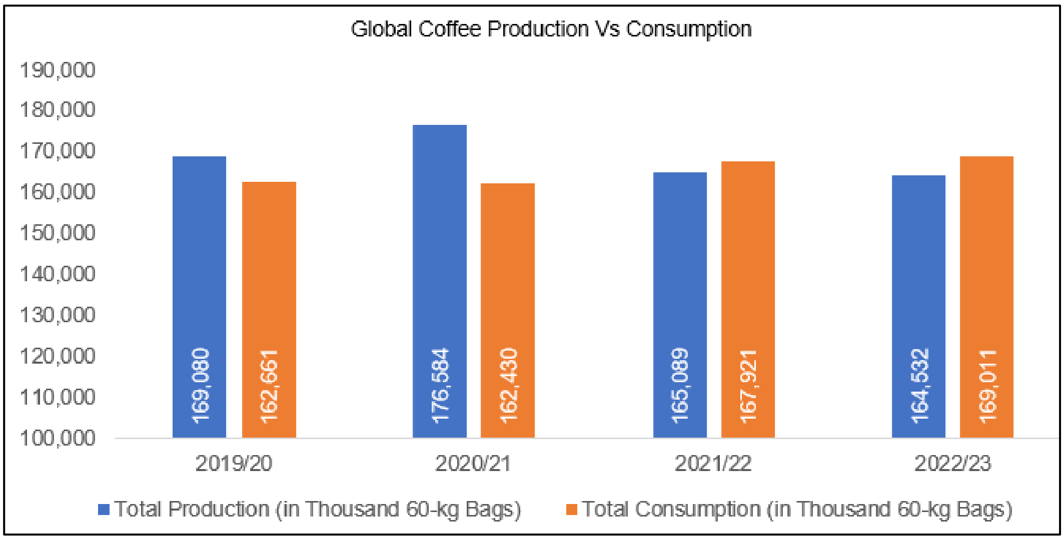
Innovation and premiumization boosting market growth

Consumers are demanding diverse and unique flavours of tea which incorporate functional ingredients such as spices, herbs, superfoods etc. At the same time, there is a growing preference for authentic and high-quality tea leaves sourced from specific renowned regions accompanied by sophisticated branding and high-end packaging. Such artisanal flavours and luxury branding enhances the product appeal to consumers, who end up buying it as gifts or indulgent purchases. Growth of tea bars, lounges and speciality tea shops are also aiding the perception and positioning of tea as a premium product.

Key Tea brands in select countries

Country	Tea Brands
United States	Lipton, Bigelow, Celestial, Twinings, Traditional, Tazo, Tetley, Harney & Sons
Canada	Tetley, DavidsTea, Harney & Sons, Genuine Tea, Four O'clock, Citizen Tea
UK	Twinings, Tetley, PG Tips, Typhoo, Pukka, Clipper Teas, Yorkshire
Europe	Twinings, Tetley, Dilmah Tea, Typhoo, Mariage Freres, Clipper Teas, Yorkshire, Lavazza

Global coffee consumption on the rising trend



Source: United States department of agriculture, CRISIL MI&A

Key Trends impacting the global coffee consumption include:

Popularity for both, hot, cold and ready to drink categories

While hot coffee continues to be a dominant choice of coffee globally, cold coffee has gained momentum, this trend is mainly led by the younger generation who have a penchant to trying out new things. Additionally, cold coffee comes in ready-to-drink packaging which allows the consumers to drink refreshing coffee on the go without any preparations and waiting time.

Varying intake of caffeine

With increasing awareness on health and emotional wellness, people now know about the impact of caffeine in their sleep patterns, mood and mental health, hence cohorts of customers have their own affinity towards caffeine intake. Consumers are increasingly looking for coffees brands which have varying degrees of caffeine offerings as part of their product portfolio.

Sizeable coffee drinking population

In developed regions such as Europe and North America, the coffee culture is deeply ingrained. These are mature markets in terms of coffee consumption as these regions have a sizeable and stable coffee consuming population. The popularity of coffee in these regions is sustained by popular specialty coffee chains, prevalence of artisanal brews, and innovative coffee products.

On the other hand, developing regions such as Asia-pacific and Africa are growing coffee markets on account of low coffee drinking population against total population. In view of its large population, Asia Pacific only accounts for nearly one-fourth of the global coffee consumption while Africa accounts for less than 10% of the global consumption. Growing population in these regions stand to boost the potential for growth of coffee consumption penetration. The demand for coffee in these regions is driven by several factors such as growing middle class where coffee drinking is perceived as sign of changing lifestyle and social status.

Key Coffee brands in the US

Country	Coffee Brands
United States	Starbucks, Eight O’Clock, Folgers, Maxwell House, Green Mountain Coffee Roasters, McCafe, Dunkin, Seattle’s Best Coffee, Peet’s Coffee

OUR BUSINESS

In this section, unless the context otherwise requires, indicates or implies, references to "we", "us", "our" or to the "Group", are to Tata Consumer Products Limited and its consolidated subsidiaries, associates and joint venture companies, while references to the "Company" or the "Issuer" are to Tata Consumer Products Limited on a standalone basis. Unless otherwise stated, or unless the context requires otherwise, the financial information used in this section is derived from our audited consolidated financial statements as of and for the year ended March 31, 2024 and 2023. References to a "Fiscal" in this section are as of and for the relevant year ended March 31.

*Industry and market data used in this section is derived from the industry report titled 'Industry report on global consumer food & beverages market with a focus on India' released in Mumbai on June 2024 prepared by CRISIL MI&A (the "**CRISIL Report**") appointed by our Company pursuant to an engagement letter dated May 6, 2024. We have commissioned and paid for the CRISIL Report specifically for the purpose of the Issue. For further details, see "Presentation of Financial Information and Other Information – Market and Industry Data" on page 13.*

OVERVIEW

We are a food and beverage company with a diversified product portfolio and are present in multiple geographies globally. We classify our operations into branded business, non-branded business and businesses we conduct through our joint ventures and associates:

Branded Business	
India Business	
Core	
Packaged Beverages	Tea, coffee
Foods / Packaged Foods	Salt
Growth	
Pantry platform	Pulses, besan, poha and other staples Spices Dry fruits Ready-to-cook products Organic packaged food Schezwan chutney, sauces, non-India masalas Others (makhana, daliya, among others)
Liquids platform	Natural mineral water, fortified water, juice and ready-to-serve products
Mini meals	Breakfast cereals, snacks Ready-to-eat products Soups, instant noodles
Horizon 3 platforms (large future plays as per our Company)	Plant protein platform Herbal supplements Others (cold pressed oils and apple cider vinegar)
International Business	United Kingdom, United States, Canada, Europe, Australia, Middle East and South Africa
Core	
Packaged Beverages	Tea, coffee
Growth	
Pantry platform	Salt, spices, pulses Ready-to-cook products / frozen products Schezwan chutney, sauces, non-Indian masalas
Mini meals	Breakfast cereals Ready-to-eat products Noodles
Horizon 3 platforms (large future plays)	Herbal supplements
Non-branded business	Plantations (primarily coffee) Solubles (Tea and coffee extraction)
Joint ventures and associates	Tata Starbucks Private Limited Amalgamated Plantations Private Limited (41.03%) Kanan Devan Hills Plantations Company Private Limited (28.52%)

Further, on January 12, 2024, we entered into a share purchase agreement with Capital Foods Private Limited ("**Capital Foods**"), Artal Asia Pte. Limited, General Atlantic Singapore CF Pte. Limited, Ajay Gupta and Wildflower Private Trust and acquired 75% equity interest of Capital Foods effective from February 1, 2024, while the remaining 25% will be acquired within the next three years. Capital Foods owns the brands 'Ching's Secret' and 'Smith & Jones'. We also entered into a share purchase agreement with Organic India Private Limited ("**Organic India**") and Fabindia Limited on January 12, 2024 and acquired 99.99% equity interest of Organic India, which has organic brands in the food and beverages and herbal and traditional supplements categories. For further details, see *"-Strategies - Drive synergies through the integration and simplification of our operations"* on page 98.

The following table sets forth details of our segment information as per Ind AS 108 – operating segments, revenue from operations, total income, EBITDA and EBITDA Margin for the years indicated:

(₹ in crore, except percentages)

	Fiscal 2024	Fiscal 2023	Year-on-Year Growth (%)
Branded Business			
India Business	9,736.47	8,716.98	11.7%
International Business	3,925.43	3,589.47	9.4%
Total Branded	13,661.90	12,306.45	11.0%
Non Branded Business	1,577.39	1,500.07	5.2%
Total Segment Revenue	15,239.29	13,806.52	10.4%
Others	57.54	48.68	18.2%
Inter-Segment Revenue	(90.98)	(72.04)	26.3%
Revenue from operations	15,205.85	13,783.16	10.3%
Total Income	15,451.47	13,952.04	10.7%
EBITDA(1)	2,323.43	1,873.92	24.0%
EBITDA Margin(2)	15.28%	13.60%	12.4%
Profit before tax	1,695.72	1,793.56	(5.5)%
Profit for the year	1,215.40	1,320.14	(7.9)%
Operating cash flow before tax to EBITDA(3)	100.48%	98.72%	1.8%

(1) *EBITDA is calculated as profit before exceptional items and tax plus finance costs, depreciation and amortization expenses, excluding other income (other than other non-operating income).*

(2) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*

(3) *Operating cash flow before tax to EBITDA, as a percentage. Operating cash flow before tax is calculated as net cash from/ (used in) operating activities plus direct taxes paid (net).*

For a reconciliation of EBITDA, EBITDA Margin and operating cash flow before tax to EBITDA, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations - Reconciliation of non-GAAP Measures" on page 849.*

STRENGTHS

Integrated food and beverage company with a diversified product portfolio and global operations

We are a food and beverage company with an integrated business model that encompasses a range of activities including manufacturing, processing, branding, marketing and distributing a wide variety of products. We focus on five key platforms in India – current core (tea, coffee, salt); pantry (pulses, spices, staples, dry fruits, chutneys, sauces); liquids (water, ready-to-serve); mini meals (breakfast cereals, ready-to-eat, snacks, ready-to-cook); and our horizon 3 platforms (plant-based meat, plant protein powder and herbal supplements).

We have international operations in several regions including the United States, United Kingdom, Canada, Europe, Australia, South Africa and the Middle East. In order to increase our manufacturing capacity, we have entered into arrangements with third-party manufacturers across product categories. As of March 31, 2024, for our India branded business, we leverage 11 tea packing centres (involving a combination of owned and third-party centres), 60 food units (primarily involving 2P and third-party units, with a few owned units) and one capsule bottling plant (which also houses a tea packing centre). For our water operations, we utilize a total of 44 plants, primarily comprising co-packers and 2P operators. For our international branded business, we have five owned manufacturing plants - one coffee roasting and packing plant in USA, one tea unit in the United Kingdom, one plant in each of Bangladesh and South Africa, and one tea export-oriented unit in Cochin, India. For our non-branded solubles business, we operate four factories, of which three are coffee units (including one in Vietnam) and one is a tea unit, as of March 31, 2024. For further information, see " - *Description of our Business – Manufacturing Facilities*" on page 102.

Recognized and well established brands

Our portfolio includes brands that have earned recognition and established themselves in their respective categories. Tata Tea, with legacy of over 35 years, has been recognized as one of the 'Most Purposeful Brands' in India in the Kantar Report 2021 and has been ranked the highest in the FMCG category.

We also own heritage brands like Tetley and Eight O' Clock, which became an integral part of our portfolio following their respective acquisitions. Eight O' Clock, which became part of our operations in 2006, offers high quality Arabica coffee.

We have been able to create a presence for the renowned coffee brand 'Starbucks' in India through our joint venture Tata Starbucks Private Limited. As of March 31, 2024, we had 421 Starbucks stores in India across 61 cities with multiple store formats, with 95 new stores established in Fiscal 2024.

Strong R&D Capabilities with focus on continuous innovation

We focus on R&D initiatives to cater to evolving consumer needs. Our R&D function innovates continuously to expand our portfolio of products, with emphasis on catering to key consumer needs and trends of premiumization, health and wellness and convenience.

We have made investments to strengthen our R&D infrastructure and capabilities. As on March 31, 2024, we had three R&D facilities in India and one R&D facility in London, United Kingdom to drive product innovation. Our R&D centres are focused on packaging and product development, research, innovation pertaining to foods and culinary products, and establishing technology and processes for new categories.

Our focus on R&D has helped improve our innovation-to-sales ratio in India, which is our revenue generated in a year from the sale of products launched during the previous three years expressed as a percentage of our revenue from operations for the current year, to 5.1% in Fiscal 2024 from 3.4% in Fiscal 2023 and 2.7% in Fiscal 2022. We have launched 47 products in Fiscal 2024, which reflects our commitment to innovation and diversifying our product portfolio.

Growing pan-India distribution network

We have established a pan-India distribution network with a presence across all States in India. We have expanded our direct distribution network in the three preceding Fiscals and as of March 31, 2024, our products are available at over 0.16 crore outlets. Our network comprises over 10,000 distributors and sub-distributors, 5,000 people on street and 43 carrying and forwarding agents, as of March 31, 2024. We have also appointed direct distributors in towns with a population of over 50,000 as well as in several towns with a population of approximately 20,000, to expand our coverage in semi-urban and rural and improve our market share.

We follow an omni-channel approach for our products in various categories, where consumers can engage with our products from tea, coffee, salt, staples to convenient meals across general trade, modern trade and e-commerce channels.

Sustainable business practices and initiatives

We have focused on adopting sustainable business practices across our organization and follow an approach comprising four key pillars – better sourcing, better planet, better communities and better nutrition:

- *Better sourcing:* Our sourcing initiatives stress on adopting responsible procuring practices. We are one of the funding partners of the 'trustea' initiative in India, which is a sustainability code and verification system for the Indian tea sector. A large proportion of tea that we source in India is 'trustea' certified. Our 'Tetley' tea manufacturing facility and operations unit located in the United Kingdom are certified by Rainforest Alliance. We are also founding members of the Ethical Tea Partnership in the United Kingdom, which is a non-commercial partnership of tea companies committed to improving the lives of tea workers and their environment. In Fiscal 2024, we have also joined the Supplier Ethical Data Exchange Platform to foster better sustainability practices in our supply chain.

- *Better planet:* We continuously strive to mitigate the impacts of climate change. We have embedded sustainability practices into our operations, while also implementing a robust risk management process. This helps identify climate-related risks and opportunities, in addition to mitigation actions. We are committed to reaching Net Zero emissions across our global operations by 2040. Our R&D function is focused on making packaging more sustainable by incorporating practices pertaining to weight reduction, optimisation and switching to sustainable alternatives. We are a member of the India Plastics Pact and are also a member of the UK Plastics Pact and the Canada Plastics Pact. Through such forums, we act collaboratively with regulators, peers, and other stakeholders towards limiting the impact of plastics and packaging on the planet. In addition, we are undertaking a detailed climate risk assessment, as well as a water risk assessment.

- *Better communities:* We focus on the welfare of the communities around our operational areas and undertake socially relevant projects. Our key focus areas are community engagement and welfare; training and education at all levels across our workforce; protection of human rights; employee health and safety; and employee diversity, inclusion and equal opportunity.

- *Better nutrition:* We have launched a number of new products across segments and brands, based on global key consumer trends across health and wellness. Some of these include tea (Tetley Digest and Immuno Chai, Tata Tea Gold Vita Care, Tetley Live Teas), salt (Tata Pink Salt, Tata Salt Iron Health, Tata Salt Immuno), Soulfull (No Maida Chocos, Masala Oats+ with Millets) and plant protein (Plant based meat, Supplements). Through our Nutrition Policy framework, we have clearly defined three nutrition categories for our product range – superior experience, trusted nutrition and essential wellbeing.

Our focus on sustainability has won us several awards including - our water plant at Paonta Sahib, Himachal Pradesh, was awarded the silver medal in the India Green Manufacturing Challenge 2023 by the International Research Institute for Manufacturing; and our packaging center at Dam Dim, West Bengal was recognized as 'Energy Efficient Unit' in the General Sector category by the Confederation of Indian Industry at its 24th National Energy Awards event for Excellence in Energy Management in 2023. Our Company was awarded for Best Growth Performance - F&B at India's Top 500 Companies 2021 conference by Dun & Bradstreet on the theme of 'Laying the foundations for an ESG ready corporate India'; it was awarded the first prize in the Consumer Goods Sector in the National Energy Conservation Awards 2022 and received the Gold Award in the Category - Climate Change in the ICAI International Sustainability Reporting Awards 2021-22.

Strong parentage, experienced management team, good corporate governance practices and strong employee base

We are a part of the Tata group, which is among India's oldest and most prominent corporate groups with a heritage of over 100 years, comprising several listed companies across multiple verticals. We believe that the 'Tata' brand is well recognized across India due to its long established presence, the diversified businesses in which the Tata group operates and the trust it has developed over the course of its operating history.

Our Company's board comprises nine directors. Mr. N. Chandrasekaran, the chairman of the board of directors of our Company is also the executive chairman of Tata Sons Private Limited. Our senior management team comprises experienced and qualified professionals, who have industry knowledge and experience.

Our robust risk management framework enables us to identify, address and mitigate the existing and emerging risks that are posed to our business.

We have a strong employee base comprising over 4,500 employees, excluding plantation workers, as of March 31, 2024. We have invested in employee learning and development programmes to build capabilities, identify and develop our key talent. For further details on our human resource initiatives, see *"-Description of our Business – Human Resources"* on page 104.

STRATEGIES

Continue to strengthen and accelerate our core business

We intend to continue to strengthen and accelerate our core business by expanding our market presence, strengthening our brands and delivering innovative products. We are focused on strengthening and expanding our sales and distribution network to realize our goal of being a leading fast-moving consumer goods ("**FMCG**") company.

We intend to bolster our salt portfolio through a wide range of salt varieties and have launched premium salts as well as value added salts with essential micro-nutrients.

We have launched innovative products to premiumise our portfolio. For example, in India, we launched 'Tata Tea Gold Care' - a handcrafted blend, 'Tata Tea Gold Saffron' – a premium tea product, 'Tata Coffee Gold' – 100% pure coffee, Tata Salt Rock Salt, Tata Sampann dry fruits, Himalayan honey and preserves. We intend to continue to enhance the brand recall of our products through differentiated brand campaigns.

Explore new opportunities to grow our business

We continually explore and evaluate new opportunities to expand our portfolio, increase the total addressable market, and accelerate new launches. We have a millet-based portfolio under the 'Tata Soulfull' brand and believe that millets will gradually evolve to become a mainstream category. We are in the process of scaling up the market presence of 'Tata Soulfull' products by leveraging our distribution network.

We are building our 'Tata Sampann' brand as a master brand for everyday staples. In the spices category, we recently launched 'Hing' - a premium spice, in both north and south India. We will continue to scale our dry fruit products and have launched new sized SKUs for almonds, cashews and raisins. We entered into a new category of cold pressed oils.

We entered into the protein category with the launch of our protein platform 'Tata Simply Better' in the alternate meat category and 'Tata GoFit' in plant-based supplements and plan to expand our protein portfolio.

With respect to 'Tata Starbucks' stores in India, we opened 95 new stores during Fiscal 2024 reaching an aggregate of 421 stores, as of March 31, 2024.

Drive synergies through the integration and simplification of our operations

We have undertaken certain restructuring initiatives to create a simpler organizational structure, integrate our operations:

- *Merger of subsidiaries:* The Hon'ble National Company Law Tribunal, Kolkata Bench, by its order dated July 18, 2024, sanctioned the scheme of amalgamation of our wholly owned subsidiaries, NourishCo Beverages Limited, Tata SmartFoodz Limited and Tata Consumer Soulfull Private Limited with our Company. The scheme of amalgamation shall become effective on the effective date, being the date on which the certified copies of the order dated July 18, 2024 are filed with the respective registrar of companies and all conditions for bringing the scheme of amalgamation into effect are fulfilled.

- *Amalgamation with Tata Coffee Limited:* We have demerged the plantation business of Tata Coffee Limited into our wholly owned subsidiary, Tata Coffee Limited (*erstwhile TCPL Beverages and Foods Limited*) and merged erstwhile Tata Coffee Limited (comprising its remaining business of coffee extraction) into our Company pursuant to a scheme of arrangement with effect from January 1, 2024.

  This merger has enabled us to create a common platform for our coffee and tea extraction (also referred to as solubles) business. The merger has also enabled the efficient consolidation of ownership interests in the international branded businesses, which will result in simplification of the organization structure.

- *Restructuring overseas subsidiaries in US*: We are in the process of restructuring our subsidiaries in the US to simplify our organization structure and achieve business consolidation. This is intended to reduce the number of legal entities, simplify legal, tax and operational structures, create a unified holding structure for our international branded business and improve market focus. Pursuant to this restructuring, our erstwhile step-down subsidiaries Tata Waters LLC, Good Earth Corporation, Good Earth Teas, Inc., Eight O' Clock Holdings, Inc. and Eight O' Clock Coffee Company have merged into Tata Consumer Products US Inc. (erstwhile Tetley US Inc.), a step-down subsidiary of our Company with effect from July 1, 2024.

We have also undertaken certain inorganic growth opportunities and intend to focus on integrating the operations of such entities with those of our Company to drive synergies:

- *Acquisition of Capital Foods:* On January 12, 2024, we entered into a share purchase agreement with Capital Foods, Artal Asia Pte. Limited, General Atlantic Singapore CF Pte. Limited, Ajay Gupta and Wildflower Private Trust and have acquired 75% equity interest of Capital Foods effective from February 1, 2024, while the remaining 25% will be acquired within the next three years. Capital Foods owns the brands 'Ching's Secret', which is a popular brand as per the CRISIL Report, and is synonymous with desi-Chinese cuisine with a pan-India appeal and a product portfolio that includes chutneys, blended masalas, sauces and soups; and 'Smith & Jones', which is a fast-growing brand catering to in-home cooking of Italian and other western cuisines. This acquisition is consistent with our strategic intent to expand our product portfolio, further strengthen our pantry platform and target the addressable market in fast growing high margin categories. For further details of the business of Capital Foods, see *"- Description of our Business – Capital Foods"* on page 101.

- *Acquisition of Organic India:* On January 12, 2024, we entered into a share purchase agreement with Organic India and Fabindia Limited on January 12, 2024 and have acquired 99.99% equity interest of Organic India, an established player in the food and beverages and herbal and traditional supplements categories. For further details regarding the business of Organic India, see *"- Description of our Business – Organic India"* on page 102.

Use digital technology to enhance operational efficiencies

We will continue to utilize digital technology to obtain new insights and knowledge about markets and consumers and streamline our operations and systems. We have identified areas that technology can empower across sales and distribution, operations, procurement and finance and adopted technology platforms with a focus on data analytics. To enhance customer experience, we launched digital initiatives including our customer relationship management platform across India, United States, United Kingdom, Canada and the Middle East. Our customer relationship management platform enables better collaboration between sales, supply chain and other internal functions, leading to improved customer satisfaction.

To improve our distribution capabilities, we are upgrading our order management engine for auto-ordering and replenishment capabilities. Our recent key digital initiatives include shifting to cloud platforms, utilizing single instance of SAP, integrating sales, and distribution and business planning functions and using an analytics platform.

For our international business, we implemented several digital initiatives and migrated to a shared ERP platform. We integrated the 'Teapigs' range of products with our United Kingdom ERP system streamlining order placement for all tea brands.

DESCRIPTION OF OUR BUSINESS

We operate in India and in several international regions and set forth below is our global footprint, as of March 31, 2024:

Product Portfolio

We classify our operations into our branded business (India and International), non-branded business and businesses we conduct through our joint ventures and associates.

Set forth below are certain of our key brands across our product lines:

Tea

Tata Tea portfolio (sub brands: Gold, Premium, Chakra Gold, Kanan Devan, Gemini, Lal Ghoda, Kala Ghoda and D2C brand 1868 Tea)

Tetley

India

International

Other brands (Teapigs and Good Earth)

Good Earth (US and United Kingdom)

Teapigs (United States, United Kingdom, Europe and China)

Coffee

Tata Coffee Gold

Sonnets by Tata Coffee

Eight O' Clock (United States)

Tata Coffee Grand (ROI and South pack)

Food brands

Tata Salt

Tata Sampann

Tata Soulfull

Tata Yumside

Tata Raasa

Premium plays under Himalayan (Honey, Preserves and Saffron)

Liquid Beverages

Himalayan

Water based beverages (Tata Copper+ and Tata Spring Alive)

Tata Gluco+

Tata Fruski

Energy Drink

Non-branded Business

Our non-branded business comprises our extractions portfolio (tea and coffee extraction) and our plantations business (tea, pepper and coffee plantations) in India.

Businesses through joint ventures and associates

Tata Starbucks commenced its operations in India in October 2012. As of March 31, 2024, we had 421 Starbucks stores in India across 61 cities with multiple store formats, such as high street, malls, airports, offices, hospitals, highways and store-in-store.

Further, our associate plantation companies were formed after the divestment of the plantation business of Tata Tea, with plantations in Assam and West Bengal being transferred to Amalgamated Plantations Private Limited and plantations in South India being transferred to Kanan Devan Hills Plantations Company Private Limited.

Capital Foods

Capital Foods is the owner of the brands ‘Ching’s Secret’ and ‘Smith & Jones’, which are designed for in-home consumption. ‘Ching’s Secret’ offers a range of products such as instant noodles, hakka and chowmein noodles, pad thai noodles, instant soups, cook-up soups, sauces, ‘Desi Chinese’ masalas and chutneys. ‘Smith & Jones’ caters to in-home cooking of Italian and other western cuisines, and its range of offerings includes ginger garlic paste, pasta masala, peri peri masala and masalas for local cuisine.

Organic India

Organic India has a portfolio of products in the health and wellness space, including teas and infusions such as green tea and wellness tea, herbal supplements that are condition-specific as well as for daily nutrition, staple and packaged food such as cereals and pulses, natural sweeteners, nuts and seeds, oil and ghee, salt and spices, personal care products for body, face and hair care, as well as therapeutics oils, and detox kits for wellness.

Manufacturing Facilities

For our India branded business, we operate 11 tea packing centres (of which one is owned and 10 are third-party packing centres), 60 food processing units (of five are owned and 55 are third-party and 2P units) and one capsule bottling plant (which also houses a tea packing centre). Our water operations include a total of 44 plants (of which 40 are co-packing plants, one is owned and three are 2P plants). For our internationally branded operations, we have five owned manufacturing plants - one coffee roasting and packing plant in USA, one tea unit in the United Kingdom, one plant in each of Bangladesh and South Africa, and one tea export-oriented unit in Cochin, India. For our non-branded solubles business, we operate four factories, of which three are coffee units (including one in Vietnam) and one is a tea unit, as of March 31, 2024. In November 2023, we have also approved the setting up of an additional 5,500 MT freeze-dried coffee facility in Vietnam through Tata Coffee Vietnam Company Limited.

Capacity and Capacity Utilization

The following table sets forth information relating to the production capacities and capacity utilization, at our manufacturing units for the key products specified:

Product	Unit of Measurement	As of/ For the Year Ended March 31, 2024			As of/ For the Year Ended March 31, 2023		
		Installed Capacity	Actual Production	Capacity Utilization (%)	Installed Capacity	Actual Production	Capacity Utilization (%)
India - Branded							
Tea	**MT**	18,991	12,345	65.00%	18,518	13,968	75.43%
Soulfull	**MT**	4,500	2,145	47.67%	2,700	1,601	59.30%
Smart Foodz	**Units**	6,84,97,200	2,35,25,200	34.34%	4,32,61,600	41,20,202	9.52%
Capital Foods	**MT**	29,068	15,024	51.69%	28,528	17,872	62.65%
Organic India	**Units**	49,38,69,600	20,32,02,479	41.14%	49,38,69,600	16,26,58,519	32.94%
Himalayan Water,	**Number of**	4,27,63,536	3,78,50,586	88.51%	3,57,89,760	3,39,41,856	94.84%

Product	Unit of Measurement	As of/ For the Year Ended March 31, 2024			As of/ For the Year Ended March 31, 2023		
		Installed Capacity	Actual Production	Capacity Utilization (%)	Installed Capacity	Actual Production	Capacity Utilization (%)
Poanta	**bottles**						
Tetley, Cochin EOU	**MT**	12,238	4,337	35.44%	10,308	4,320	41.91%
Concentrate plant - Hinganghat	**Kits**	95,550	86,572	90.60%	71,100	52,068	73.23%
India - Unbranded	**MT**	***46,713***	***33,062***	***70.78%***	***46,113***	***33,867***	***73.44%***
International - Branded	**MT**	***81,260***	***37,756***	***46.46%***	***84,950***	***40,474***	***47.65%***
International - Unbranded	**MT**	***8,268***	***6,732***	***81.42%***	***7,268***	***6,325***	***87.03%***

**As certified by Kanti Karamsey & Co. Advisors LLP, independent chartered engineer, by certificate dated July 22, 2024.*

Raw Materials

Raw teas are mainly sourced from Africa (primarily for international markets) as well as North and South Indian plantations through a combination of auctions, private buying and forward purchase contracts. For the non-black tea portfolio, we also source botanicals, fruit, herbals and flavours from European blending houses and flavour suppliers.

With respect to coffee sourcing, for our operations in the USA, we primarily source Arabica coffee from South America, while for our Indian and B2B operations through solubles, we source coffee mainly from India and Vietnam.

For our salt portfolio, our largest vendor is Tata Chemicals Limited, with whom we have entered into long term arrangement to ensure supply continuity. For our food portfolio, we procure raw materials primarily from processors, millers, co-packers and have developed a diversified vendor base across states to ensure supply availability and mitigate risks emerging out of adverse crop production in any state.

Marketing and Brand Building

We have invested in our brands through differentiated brand campaigns. For instance, to celebrate the 75th year of India's Independence, in 2023, Tata Tea Premium - Desh Ki Chai launched a limited edition '*Desh Ka Garv'* tea-set collection, special tin packs and a film commemorating India's proud moments post-Independence.

Health and Safety

We aim to comply with the applicable health and safety regulations in our operations, and have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses and approvals, and ensuring the safety of our employees working at our manufacturing facilities or under our management.

Information Technology

As part of our technology journey, we have shifted our operations to cloud, adopted a single instance of enterprise resource planning, integrated business planning and leveraged analytics. We have launched a customer relationship management platform across India, the United States, the United Kingdom, Canada and the Middle East, facilitating collaboration between sales, supply chain and other internal functions. We also have an order management engine, which facilitates the placement and flow of orders. For our procurement operations, we have implemented long term blend forecast to improve accuracy for our tea inventory, and we have also adopted a unified AI platform for commodity procurement.

See also, "*Risk Factors – The complexity of our IT infrastructure could make us vulnerable to cybersecurity threats and the potential for system failures, which could negatively impact our business operations and financial stability*" on page 31.

Research and Development

As of March 31, 2024, we had three R&D facilities in India and one R&D facility in London, United Kingdom, to drive product innovation. As of March 31, 2024, we had a dedicated research and development team comprising 50 employees. As a result of our research and development activities, we were able to launch 47 and 34 new products in Fiscal 2024 and Fiscal 2023, respectively.

Intellectual Property

As of the date of this Letter of Offer, we had registered over 800 trademarks in India, over 400 trademarks in the UK and over 500 trademarks in other jurisdictions globally. These include registrations in respect of certain of our key brands and logos, such as "*Eight O' Clock*" and "*Tetley"*. In addition, to strengthen intellectual property, we have filed applications for four different patents, across categories.

See also, "*Risk Factors – Any inability to protect our intellectual property, technical know-how or other proprietary information, or claims that we infringe on the intellectual property rights of others, could have an adverse effect on our business, results of operations and financial condition.*" on page 30.

Human Resources

We believe that leveraging the diversity of our employees, investing in their capabilities, and creating a culture that promotes a growth mindset are critical to our journey. Accordingly, we have implemented various initiatives to support these areas.

Corporate Social Responsibility

Our Board has formed the Corporate Social Responsibility and Sustainability Committee. In Fiscal 2024, we have undertaken 10 CSR programmes, of which there have been approximately 0.13 crore beneficiaries. Through the CSR theme of 'Building Sustainable Livelihoods', we are committed to improving the quality of life in the communities we serve. We strive to promote livelihood opportunities and sociocultural development in the areas where we operate. We enable access to education and vocational skills, affordable healthcare, water and sanitation, and rural development, through the following key projects:

Education and vocational skills - Through the Srishti Trust and the Coorg Foundation, we have made education and skill acquisition available for empowerment of differently abled persons in Munnar and Coorg. We also have provided scholarships to underprivileged youth under the Foundation for Academic Excellence and Access program.

We supported the Tata Strive program for 130 economically weak and socially disadvantaged youth in Assam, Mumbai and Hyderabad to provide skill training for hospitality and related sectors. The training includes industry related skill set, soft-skills, and behavioural changes.

Affordable healthcare - We support the Referral Hospital and Research Centre in Chabua, in Dibrugarh district of Assam. The hospital provides primary and secondary care to the people in and around the Chabua tea estate and in Fiscal 2023, provided healthcare to approximately 68,000 beneficiaries.

We support the St. Jude's India childcare centre ('Prem Ashraya') in Kolkata and Mumbai. These centres primarily provide for family members who come from economically weak background for cancer treatment of their children. In Fiscal 2023, we supported over 140 families.

We also supported capital expenditure funding for the Rural India Health Project Trust in Coorg. This included life-saving equipment such as CT scanner.

Rural development - The Tata Chemicals Society for Rural Development supports environment and biodiversity conservation and other aspects of community development in Mithapur, Gujarat. This project has impacted over 50,000 people.

We have also partnered with Swami Vivekananda Youth Movement to promote sustainable natural millet based agricultural practices among rural and tribal communities in HD Kote and Saragur Taluk in Mysore district, Karnataka.

Water and sanitation - Through Project Jalodari in Assam, we are creating sustainable water sources, raising awareness and building capacities around water and sanitation issues in the community. Through this project, we have already provided access to safe drinking water to more than 2,700 households. The project also promotes safe and effective menstrual hygiene management focusing on awareness, access, usage and disposal. There have been over 4,200 beneficiaries covered under this program.

In Himachal Pradesh, Project Jalodari focuses on providing sustainable water management and improvement in sanitation in 30 villages of Paonta Sahib (in Nahan and Sirmaor). The direct beneficiary count is 1,680 households.

Women empowerment - We have set up kitchens (two each in Agra and Orissa) for marginalized communities that serve nutritional food to nearby communities at a highly subsidized rate.

Health and Nutrition - We launched "Suposhit Tirupati" program through the Vijayavahini Charitable Foundation in July 2023 to reduce undernutrition by 10% amongst pregnant and lactating women and malnourished children, under the age of six, targeted through system-strengthening interventions and community education. Further, the project aims to demonstrate replicable and scalable approaches to improve nutritional standards for women and children. During the course of next three years, we expect to reach more than 10,000 individuals directly or indirectly through our interventions.

Insurance

Our operations are subject to hazards inherent in manufacturing facilities, such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to, and the destruction of property and equipment and environmental damage. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards. We maintain insurance policies for our business, which cover losses, including those arising from fire, accidents, cyber-attacks, employee related claims, marine cargo transit, and calamities.

See "*Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.*" on page 31.

Properties

Our Registered Office is located at 1, Bishop Lefroy Road, Kolkata 700 020, West Bengal, on leased premises, and our Corporate Office is located at 11/13, Botawala building, 1st floor, Office #2-6 Horniman Circle Fort, Mumbai 400 001, Maharashtra, on leased premises. As of March 31, 2024, we utilised 40 properties for our operations, involving a combination of owned and leased premises. For further details, see "*Risk Factors- Our Registered Office is located on leased premise, and is the subject matter of dispute. If our rights to properties from which we operate are challenged, we may have to vacate these premises, which may disrupt our operations to the extent of such relocation.*" on page 33.

Further, except as disclosed in the "*Financial Statements- Note 39: Related Party Transactions*" on page 187, there is no conflict of interest between the lessors of our immovable properties (crucial for our operations) and our Company, our Promoter, entities forming part of our Promoter Group, our Key Managerial Personnel, our Senior management, our Directors, our Subsidiaries and their respective directors and our Group Companies.

OUR MANAGEMENT

Board of Directors

The composition of the Board is governed and in conformity with by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by our Company in general meeting, our Company shall not have less than three Directors and not more than fifteen Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

As on the date of this Letter of Offer, our Company has nine Directors, comprising of two Executive Directors, two Non-Executive Directors and five Independent Directors, inclusive of one woman Independent Director. The Chairman is a Non-Executive non-Independent Director.

The following table provides details regarding our Board as of the date of filing this Letter of Offer:

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Chandrasekaran Natarajan ***Address***: Floor 21, 33 South Condominium, Peddar Road, Opposite Sterling Apartments, Mumbai 400026, Maharashtra, India ***Designation:*** Chairman and Non-Executive Director ***Occupation:*** Service ***Term:*** With effect from June 6, 2023; liable to retire by rotation ***Period of Directorship:*** Director since July 3, 2017 ***DIN***: 00121863 ***Date of Birth:*** June 2, 1963	61 years	<u>*Indian Companies*</u> • Air India Limited • Agratas Energy Storage Solutions Private Limited; • B20 Global Institute Private Limited; • Indian Foundation for Quality Management; • Tata Consultancy Services Limited; • Tata Chemicals Limited; • Tata Digital Private Limited; • Tata Electronics Private Limited; • Tata Sons Private limited; • Tata Steel Limited; • Tata Motors Limited; • TCS Foundation; • The Indian Hotels Company Limited; and • The Tata Power Company Limited. <u>*Foreign Companies*</u> • Jaguar Land Rover Automotive PLC; and • Tata Limited.
Sunil D'Souza ***Address***: Flat 1704, B Wing, Safal Twins Sion Trombay Rd, Punjabwadi Deon, Mumbai – 400088, Maharashtra, India ***Designation:*** Managing Director and Chief Executive Officer ***Occupation:*** Service ***Term:*** With effect from April 4, 2020 till April 3, 2025 ***Period of Directorship:*** Director since April 4, 2020 ***DIN***: 07194259 ***Date of Birth:*** December 31, 1967	56 years	<u>*Indian Companies*</u> • Capital Foods Private Limited; • Organic India Private Limited; • NourishCo Beverages Limited[#]; • Tata Consumer Soulfull Private limited[#]; and • Tata Starbucks Private Limited. <u>*Foreign Companies*</u> • Consolidated Coffee Inc.; • Eight O'Clock Coffee Company[*]; • Eight O'Clock Holdings Inc.[*]; • Tata Consumer Products Capital Limited; and • Tata Consumer Products UK Group Limited.
Ajit Sukumar Krishnakumar ***Address***: S-3202, The Imperial Towers, B.B. Nakashe Marg, Tardeo, Mumbai – 400034, Maharashtra, India ***Designation:*** Executive Director and Chief Operating	47 years	<u>*Indian Companies*</u> • Smart Building Development & Estate Management Private limited; • Tata Coffee Limited (erstwhile TCPL Beverages & Foods Limited); and

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Officer ***Occupation**:* Professional ***Term**:* With effect from November 1, 2023 till October 31, 2028 ***Period of Directorship**:* Director since November 1, 2023 ***DIN***: 08002754 ***Date of Birth***: July 28, 1976		• Tata SmartFoodz Limited[#]. Foreign Companies Nil
Pathamadai Balachandran Balaji ***Address***: B/353, 35th Floor, Kalpataru Avana, Dr. S S Rao Marg, Animal Hospital, Parel, VTC, Mumbai - 400012 ***Designation**:* Non-Executive (Non-Independent) Director ***Occupation**:* Service ***Term**:* With effect from June 13, 2024; liable to retire by rotation ***Period of Directorship**:* Director since August 8, 2020 ***DIN***: 02762983 ***Date of Birth**:* September 9, 1969	54 years	Indian Companies • Agratas Energy Storage Solutions Private Limited; • Tata Motors Finance Limited (formerly known as Tata Motors Finance Solutions Limited); • Tata Motors Passenger Vehicles Limited (formerly known as TML Business Analytics Services Limited); • Tata Passenger Electric Mobility Limited; • Tata Technologies Limited; • TMF Business Services Limited (formerly known as Tata Motors Finance Limited); and • TMF Holdings Limited. Foreign Companies • Jaguar Land Rover Automotive PLC, UK.
Siraj Azmat Chaudhry ***Address***: S-12/B, Windsor Court, DLF PH - IV, Gurgaon - 122009, Haryana, India ***Designation**:* Independent Director ***Occupation**:* Service ***Term**:* With effect from July 3, 2022 till July 2, 2027 ***Period of Directorship**:* Director since July 3, 2017 ***DIN***: 00161853 ***Date of Birth**:* January 8, 1967	57 years	Indian Companies • Air India (SATS) Airport Services Private Limited; • Arboreal Bioinnovations Private Limited; • Bikaji Foods International Limited; • Carrier Airconditioning & Refrigeration Limited; • Dhanuka Agritech Limited; • Jubilant Ingrevia Limited; • SATS (India) Company Private Limited; and • Triveni Engineering and Industries Limited. Foreign Companies • Consolidated Coffee, Inc.; • Eight O'Clock Holdings Inc.*; • Eight O'Clock Coffee Company*; and • Tata Coffee Vietnam Company Limited.
Bharat Tilakraj Puri ***Address***: Flat No. 3301/3401, Planet Godrej Complex, Terra Simplex Mill Comp, Jacob Circle, Mahalaxmi, Mumbai – 400011, Maharashtra, India ***Designation**:* Independent Director ***Occupation**:* Service ***Term**:* With effect from May 7, 2024 till May 6, 2029 ***Period of Directorship**:* Director since May 7, 2019 ***DIN***: 02173566 ***Date of Birth**:* June 14, 1961	63 years	Indian Companies • ICA Pidilite Private Limited; • Nayanta Education Foundation; • Pidilite Industries Limited; • Shubharambh Foundation; and • Tata Motors Limited. Foreign Companies Nil
Shikha Sharma ***Address***: 4704, 360 West by Oberoi Realty, near Century	65 years	Indian Companies • Dr. Reddy's Laboratories Limited; • Mahindra and Mahindra Limited;

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Bazaar, Dr. Annie Besant Road, Worli, Mumbai - 400025 ***Designation:*** Independent Director ***Occupation:*** Service ***Term:*** With effect from May 7, 2024 till May 6, 2029 ***Period of Directorship:*** Director since May 7, 2019 ***DIN***: 00043265 ***Date of Birth:*** November 19, 1958		• Mahindra Electric Automobile Limited; • Piramal Enterprises Limited; and • Tech Mahindra Limited. *Foreign Companies* Nil
K P Krishnan ***Address***: L-3, Ground Floor, Hauz Khas Enclave, Delhi, India ***Designation:*** Independent Director ***Occupation:*** Service ***Term:*** With effect from October 22, 2021 till October 21, 2026; ***Period of Directorship:*** Director since October 22, 2021 ***DIN***: 01099097 ***Date of Birth:*** December 29, 1959	64 years	*Indian Companies* • ARSEC (India) Limited; • Dr. Reddy's Laboratories Limited; • Helios Trustee Private Limited; • Indian Institute for Human Settlement; and • Shriram Capital Private Limited. *Foreign Companies* Nil
David Francis Crean ***Address***: Lime Grange Barns, 3E Wakerley Road, Harringworth Corby - NN17 3AH, United Kingdom ***Designation:*** Independent Director ***Occupation:*** Self-employed ***Term:*** Five years with effect from May 4, 2022 till May 3, 2027 ***Period of Directorship:*** Director since May 4, 2022 ***DIN***: 09584874 ***Date of Birth:*** December 13, 1960	63 years	*Indian Companies* Nil *Foreign Companies* • STRIDE Food R&D Consultancy Limited.

* *Our erstwhile step-down subsidiaries (i) Eight O'Clock Holdings, Inc.; and (ii) Eight O'Clock Coffee Company have merged into Tata Consumer Products US, Inc. (erstwhile Tetley US Inc) a step-down subsidiary of our Company with effect from July 1, 2024.*

\# *The Hon'ble National Company Law Tribunal, Kolkata Bench, by its order dated July 18, 2024, sanctioned the scheme of amalgamation of our wholly owned subsidiaries, NourishCo Beverages Limited, Tata SmartFoodz Limited and Tata Consumer Soulfull Private Limited with our Company. The scheme of amalgamation shall become effective on the effective date, being the date on which the certified copies of the order dated July 18, 2024 are filed with the respective registrar of companies and all conditions for bringing the scheme of amalgamation into effect are fulfilled.*

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer.

Except as disclosed in the "*Financial Statements- Note 39: Related Party Transactions*" on page 187, none of our Directors, Key Managerial Personnel or Senior Management have any conflict of interest with the suppliers of raw materials, third party manufacturers or third party logistics providers, crucial for operations of our Company.

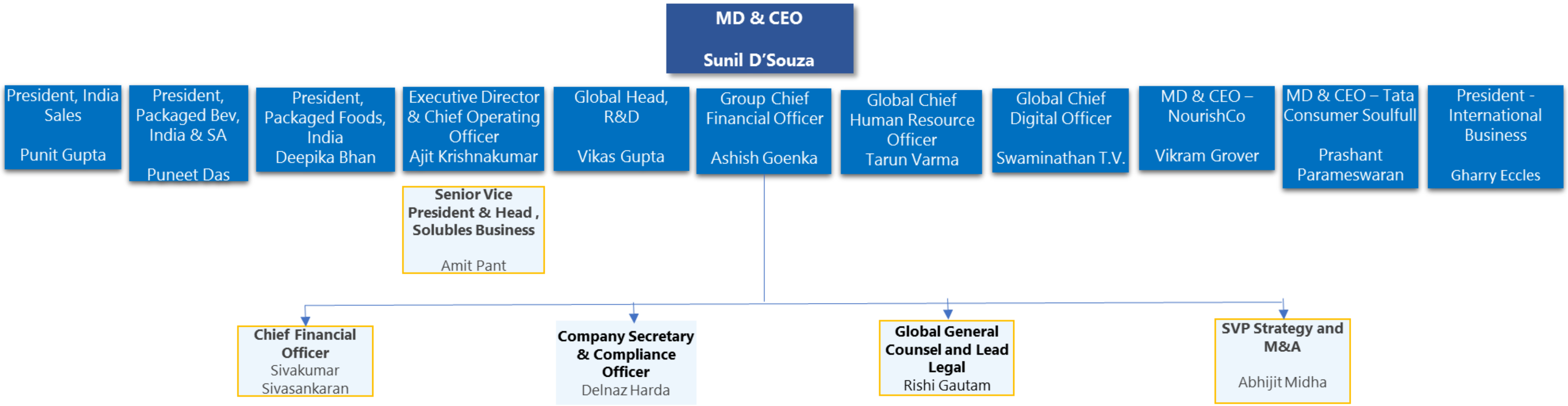
Except as disclosed in the "*Financial Statements- Note 39: Related Party Transactions*" on page 187, none of our Directors, Key Managerial Personnel or Senior Management have any conflict of interest with any lessor of the immovable properties leased to our Company, crucial for operations of our Company.

Details of Key Managerial Personnel and Senior Management

S. No.	Particulars	Designation
Key Managerial Personnel		
1.	Sunil D'Souza	Managing Director & Chief Executive Officer
2.	Ajit Sukumar Krishnakumar	Executive Director & Chief Operating Officer
3.	Sivakumar Sivasankaran	Chief Financial Officer
4.	Delnaz Harda	Company Secretary and Compliance Officer
Senior Management (excluding Key Managerial Personnel)		
1.	Ashish Goenka	Group Chief Financial Officer
2.	Tarun Varma	Global Chief Human Resource Officer
3.	Gharry Eccles	President – International Business
4.	Puneet Das	President – Packaged Beverages, India & South Asia
5.	Deepika Bhan	President – Packaged Food, India
6.	Punit Gupta	President – India Sales
7.	Prashant Parameswaran	MD & CEO – Tata Consumer Soulfull*
8.	Vikram Grover	MD & CEO – NourishCo Beverages*
9.	Vikas Gupta	Global Head – R&D
10.	Swaminathan T.V.	Global Chief Digital Officer
11.	Abhijit Midha	Senior Vice President – Strategy and M&A
12.	Rishi Gautam	Global General Counsel and Lead Legal
13.	Amit Pant	Senior Vice President & Head, Solubles Business

** The Hon'ble National Company Law Tribunal, Kolkata Bench, by its order dated July 18, 2024, sanctioned the scheme of amalgamation of our wholly owned subsidiaries, NourishCo Beverages Limited and Tata Consumer Soulfull Private Limited with our Company. The scheme of amalgamation shall become effective on the effective date, being the date on which the certified copies of the order dated July 18, 2024 are filed with the respective registrar of companies and all conditions for bringing the scheme of amalgamation into effect are fulfilled.*

Organisational Structure



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditor's Report

TO THE MEMBERS OF TATA CONSUMER PRODUCTS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tata Consumer Products Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes the Group's net share of loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on financial statements of the subsidiaries and joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Impairment of the carrying value of goodwill on consolidation for a Cash Generating Unit (CGU)** On account of competitive pressures and decline in black tea demand in the CGU market, the risk of impairment of the Group's goodwill attributable / allocated to that CGU was identified. The Group annually carries out an impairment assessment of goodwill using a value-in-use model which is based on the net present value of the forecast earnings of the cash-generating units. The estimation of value-in-use for impairment assessment involved significant judgements, assumptions and estimates such as future expected level of operations, related forecast of of cash flows, terminal growth and discount rates. Refer note 6 and note 2.3 to the Consolidated Financial Statements	Goodwill has been recorded in the books of an overseas component. The component auditor has reported that it has performed the following procedures: Besides obtaining an understanding of Management's processes and controls with regard to testing the goodwill for impairment the Component Auditor's procedures included the following: a) Engaged internal fair valuation experts to challenge Management's underlying assumptions and appropriateness of the valuation model used. b) Compared the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. c) Assessed the appropriateness of the forecast cash flows within the budgeted period based on their understanding of the business and sector experience. d) Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. e) Performed a sensitivity analysis in relation to key assumptions. We have engaged with the component auditor's team to understand the nature, timing and extent of their audit procedures. We have also assessed whether the Group's disclosures regarding the sensitivity of the impairment assessment to changes in key assumptions, appropriately reflected the risk inherent in the valuation of goodwill.
2.	**Assessment of carrying value of investment in an associate** During the current financial year, an associate has incurred significant losses as it has not been able to recover increase in input costs through increased prices. This has triggered for assessment of carrying value of investments of preference shares of ₹116.49 crore in the associate in consolidated financial statements of the Company. The associate has also engaged a valuation expert to evaluate the recoverable value of the entity through sale of its assets. The determination of recoverable value for impairment assessment involved significant judgements and estimates forecast of recoverable value of the entity's non-current assets. Refer note 7 to the Consolidated Financial Statements	Besides obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment our procedures included the following: a) We understood the methodology applied by Management in performing its assessment of carrying value of investment and walked through the controls over the process. b) We challenged the assumptions made by Management for the input data used by Management through discussions, comparisons to industry peers and other available independent external data sources. We also performed sensitivity analysis on the key assumptions.

Sr. No.	Key Audit Matter	Auditor's Response
3.	**Purchase Price Allocation of business combination of Capital Foods Private Limited** During the year, the Company had acquired 75% stake of Capital Foods Private Limited. Accounting for the acquisition has involved judgements, assumptions and estimates in order to: a) determine whether the acquisition constitutes a business; b) determine the fair value of consideration transferred; c) identify and measure the fair value of the identifiable assets acquired and liabilities assumed; and d) allocate the purchase consideration between identifiable assets and liabilities and goodwill. This has been a material acquisition for the Company and given the level of estimation and judgement required, we considered it to be a key audit matter. The most significant judgements relate to the identification and valuation of intangible assets comprising brands and distribution network. This includes complex valuation considerations and requires the use of specialists. Refer note 40 to the Consolidated Financial Statements	Our procedures included but were not limited to: a) We examined the terms and conditions of the acquisition related documents in order to challenge the Company's assessment of whether the acquisition comprises a business. b) Evaluated the design, implementation, and operating effectiveness of the relevant internal controls over accounting for business combination; c) We tested the completeness of the identified assets and liabilities acquired by comparison to the acquisition related documents and through discussions with the Company. d) We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: Reading the valuation report prepared by the appointed external valuation specialists. Evaluating the competence, objectivity and integrity of the appointed external valuation specialists. Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the brands and distribution network and including assumptions such as the discount rates applied. e) Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors including Annexures thereto, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint venture, is traced from their financial statements audited by the other auditors.

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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls 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 Parent has adequate internal financial controls with reference to consolidated 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.

Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

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

Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the other business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 29 subsidiaries, whose financial statements reflect total assets of Rs. 6,899.08 crore as at March 31, 2024, total revenues of Rs. 2,252.54 crore and net cash inflows amounting to Rs. 135.57 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. Nil for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint venture referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law maintained by the Group, its associates and joint ventures including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, and the reports of the other auditors, except in relation to compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture company incorporated in India, none of the directors of the Group companies, its associate companies and joint venture company incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

h) With respect to the other matters to be includec in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent and such subsidiary companies, associate companies and joint venture company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards for material foreseeable losses, on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture company incorporated in India.

   iv) (a) The respective Managements of the Parent and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have representec to us that, to the best of their knowledge and belief, 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 Parent or any of such subsidiaries, associates and joint venture to or in any other person(s) or entity(ies), 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 Parent or any of such subsidiaries, associates and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries, associates and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries, associates and joint venture 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 on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 14(a)(vi) to the consolidated financial statements, the Board of Directors of the Parent and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries, associates and joint venture at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks for the Parent, its subsidiary companies, associate companies and joint venture company incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent Company, its subsidiary companies, associate companies and joint venture company incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software system.

In respect of the Parent, with respect of the accounting software system used by a hospital for maintaining its books of account, the audit trail feature did not operate during the period from April 1, 2023 upto August 31, 2023.

In respect of an associate company, the accounting software system used by that associate for maintaining its books of account for the financial year ended March 31, 2024 did not have a feature of recording audit trail (edit log);

With respect of the accounting software system used by one subsidiary for maintaining its books of account for the year ended March 31, 2024, the feature of audit trail (edit log) facility was not enabled at database level. Similarly, with respect to the accounting software used by another subsidiary for maintaining payroll records for its estate workers, which forms a part of its books of account, the feature of audit trail (edit log) facility was also not enabled at database level;

In respect of a joint venture:

a. the feature of audit trail (edit log) facility was not enabled at database level for the accounting software system used for maintaining its books of account for the year ended March 31, 2024; and

b. where the joint venture has used the software services of third-party service providers for maintenance of certain records that form a part of the books of account for the year ended March 31, 2024, in absence of reports from independent auditors covering the maintenance of an audit trail for the software systems used, the component auditor has been unable to comment whether audit trail feature for these accounting software systems was enabled and operated throughout the year for all relevant transactions recorded in these accounting software systems.

Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with in respect of the accounting software system for the period for which the audit trail feature was operating except in respect of software systems of third party service providers used by a joint venture for maintaining certain records that form a part of its books of account, where, in the absence of independent auditor's reports covering the maintenance or tampering of the audit trail feature, we are unable to report on the matter

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	**CIN**	**Nature of relationship**	**Paragraph number in the respective CARO reports**
Capital Foods Private Limited	U51219MH2003PTC142121	Subsidiary	iii(e)
Amalgamated Plantation Private Limited	U01132WB2007PTC112852	Associate	ix(d) and xiv(b)

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
(Partner)
(Membership No. 039826)
UDIN:24039826BKCODQ4134

Place: Mumbai
Date: April 23, 2024

Annexure "A" to the Independent Auditor's Report

(REFERRED TO IN PARAGRAPH (G) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Tata Consumer Products Limited (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent, its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
(Partner)
(Membership No. 039826)
UDIN:24039826BKCODQ4134

Place: Mumbai
Date: April 23, 2024

Consolidated Balance Sheet

as at March 31, 2024

Rs. in Crores

	Note	2024	2023
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	1977.17	1604.68
Capital Work in Progress		171.39	286.10
Investment Property under Development	4	214.78	214.78
Right of Use Assets	5	505.85	384.04
Goodwill	6	10334.28	8025.38
Other Intangible Assets	6	6325.82	2841.16
Intangible Assets under Development		18.21	8.80
Investments accounted for using Equity method	35(c)	278.42	292.66
Financial Assets			
Investments	7	353.49	385.57
Loans	8	6.98	12.52
Other Financial Assets	9	46.83	42.80
Deferred Tax Assets (Net)	20 (d)	142.15	48.64
Non-current Tax Assets (Net)	20 (c)	102.70	160.30
Other Non- current Assets	10	116.24	195.12
		20594.31	**14502.55**
Current Assets			
Inventories	11	2769.35	2701.67
Financial Assets			
Investments	7	238.64	754.74
Trade Receivables	12	896.75	798.33
Cash and Cash Equivalents	13	2319.83	1539.56
Other Bank balances	13	134.66	1257.38
Loans	8	334.49	529.72
Other Financial Assets	9	149.80	192.86
Current Tax Assets (Net)	20 (c)	5.42	20.83
Other Current Assets	10	577.69	513.49
		7426.63	**8308.58**
TOTAL ASSETS		**28020.94**	**22811.13**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14 (a)	95.28	92.90
Other Equity	14 (b)	15961.51	16183.81
Equity attributable to the Equity holders of the company		**16056.79**	**16276.71**
Non Controlling Interest		1379.34	850.17
Total Equity		**17436.13**	**17126.88**
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	168.35	206.12
Lease Liabilities	34	459.55	362.21
Other Financial Liabilities	16	1725.73	160.71
Provisions	17	225.69	167.49
Deferred Tax Liabilities (Net)	20 (d)	1795.20	863.04
Other Non-current Liabilities	19	19.20	-
		4393.72	**1759.57**
Current Liabilities			
Financial Liabilities			
Borrowings	15	2785.50	976.70
Lease Liabilities	34	63.82	55.01
Trade Payables	18	2707.15	2348.18
Other Financial Liabilities	16	268.23	227.98
Other Current Liabilities	19	176.26	173.49
Provisions	17	163.02	77.40
Current Tax Liabilities (Net)	20 (c)	27.11	65.92
		6191.09	**3924.68**
TOTAL EQUITY AND LIABILITIES		**28020.94**	**22811.13**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826
Mumbai, April 23, 2024

For and on behalf of the Board

N.Chandrasekaran
Chairman
(DIN 00121863)

K.P. Krishnan
Director
(DIN 01099097)

Sunil D'Souza
Managing Director & CEO
(DIN 07194259)

Ajit Krishnakumar
Executive Director & COO
(DIN 08002754)

Sivakumar Sivasankaran
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

Rs. in Crores

	Note	2024	2023
Income			
Revenue from Operations	21	15205.85	13783.16
Other Income	22	245.62	168.88
Total Income		**15451.47**	**13952.04**
Expenses			
Cost of Materials Consumed	23	5730.20	5376.56
Purchase of Stock in Trade		2955.31	2903.03
Change in Inventories of Finished Goods/Work-in-progress/ Stock in Trade	24	(121.60)	(273.88)
Employee Benefits Expense	25	1258.59	1120.36
Finance Costs	26	129.81	87.16
Depreciation and Amortisation Expense	27	377.15	304.08
Other Expenses	28	3099.25	2800.62
Total Expenses		**13428.71**	**12317.93**
Profit before Exceptional Items and Tax		**2022.76**	**1634.11**
Exceptional Items (net)	29	(327.04)	159.45
Profit before Tax		**1695.72**	**1793.56**
Tax expenses	20 (a)		
Current tax		469.30	376.76
Deferred tax		(74.57)	70.28
		394.73	**447.04**
Profit after Taxation before share of results of investments accounted using equity method		**1300.99**	**1346.52**
Share of net profit/(loss) in Associates and Joint Ventures using equity method		(85.59)	(26.38)
Profit for the year		**1215.40**	**1320.14**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan		(78.89)	(104.68)
Changes in fair valuation of equity instruments		69.20	12.04
		(9.69)	**(92.64)**
Tax impact on above items		12.55	23.63
		2.86	**(69.01)**
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		142.82	172.79
Gains/(loss) on Effective portion of cash flow hedges		37.29	(28.22)
		180.11	**144.57**
Tax impact on above items		(8.49)	8.12
		171.62	**152.69**
Total Other Comprehensive Income		**174.48**	**83.68**
Total Comprehensive Income		**1389.88**	**1403.82**
Net Profit for the year - attributable to :			
Owners of Parent		1150.33	1203.77
Non Controlling Interest		65.07	116.37
Net profit for the year		**1215.40**	**1320.14**
Other Comprehensive Income - attributable to :			
Owners of Parent		169.37	88.72
Non Controlling Interest		5.11	(5.04)
Other Comprehensive Income		**174.48**	**83.68**
Total Comprehensive Income - attributable to :			
Owners of Parent		1319.70	1292.49
Non Controlling Interest		70.18	111.33
Total Comprehensive Income		**1389.88**	**1403.82**
Earnings Per Share			
Equity share of nominal value of Re. 1 each	30		
Basic		12.32	13.02
Diluted		12.32	13.02

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(DIN 08002754)

Sivakumar Sivasankaran
Chief Financial Officer

Consolidated Statement of Changes in Equity

as at March 31, 2024

EQUITY SHARE CAPITAL AND OTHER EQUITY (REFER NOTE 14)

Rs. in Crores

Particulars	Equity Share Capital	Reserve and Surplus									Other Comprehensive Income			Total Other Equity	Non Controlling Interests	Total Equity
		Capital Reserve	Securities Premium	Share Based Payment Reserve	Capital Redemption Reserve	Contingency Reserve	Amalgamation Reserves	Revaluation Reserve	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedge	Fair value gains/(loss) on Equity Instruments	Foreign Currency Translation Reserve			
Balance as at April 01, 2022	**92.16**	**15.79**	**6430.87**	**0.46**	**0.10**	**1.00**	**8.33**	**21.86**	**1184.69**	**6972.49**	**15.88**	**0.11**	**398.20**	**15049.78**	**1151.62**	**16293.56**
Profit for the year	-	-	-	-	-	-	-	-	-	1203.77	-	-	-	1203.77	116.37	1320.14
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(75.32)	(17.65)	10.01	171.68	88.72	(5.04)	83.68
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1128.45**	**(17.65)**	**10.01**	**171.68**	**1292.49**	**111.33**	**1403.82**
Transaction with owners in their capacity as owners																
Dividends	-	-	-	-	-	-	-	-		(557.54)	-	-	-	(557.54)	(15.88)	(573.42)
Recognition of share-based payments	-	-	-	4.04	-	-	-	-	-	-	-	-	-	4.04	-	4.04
Issue of shares	0.74	-	570.06	-	-	-	-	-	-	-	-	-	-	570.06	-	570.80
Realised gain on equity shares carried at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	2.88	-	(2.88)	-	-	-	-
Reclassification to profit or loss on disposal of Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	(1.04)	(1.04)	-	(1.04)
Transaction with Non- Controlling Interest	-	-	-	-	-	-	-	-	-	(118.92)	-	-	-	(118.92)	(454.76)	(573.68)
Non-controlling Interest on aquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57.86	57.86
Purchase commitments for Non-Controlling Interests' shares	-	-	-	-	-	-	-	-	-	(55.06)	-	-	-	(55.06)	-	(55.06)
Balance as at March 31, 2023	**92.90**	**15.79**	**7000.93**	**4.50**	**0.10**	**1.00**	**8.33**	**21.86**	**1184.69**	**7372.30**	**(1.77)**	**7.24**	**568.84**	**16183.81**	**850.17**	**17126.88**
Profit for the year	-	-	-	-	-	-	-	-	-	1150.33	-	-	-	1150.33	65.07	1215.40
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(57.18)	23.84	61.12	141.59	169.37	5.11	174.48
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1093.15**	**23.84**	**61.12**	**141.59**	**1319.70**	**70.18**	**1389.88**
Transaction with owners in their capacity as owners																
Dividends	-	-	-	-	-	-	-	-	-	(785.01)	-	-	-	(785.01)	(23.84)	(808.85)
Transfer to General Reserve	-	-	-	-	-	-	-	-	8.28	(8.28)	-	-	-	-	-	-
Recognition of share-based payments [Refer Note 25]	-	-	-	9.53	-	-	-	-	-	-	-	-	-	9.53	-	9.53
Issue of shares [Refer Note 14(a)]	2.38	(2.38)	-	-	-	-	-	-	-	-	-	-	-	(2.38)	-	-
Transfer from Revaluation Reserve to Capital Reserve [Refer Note 14(b)]	-	21.86	-	-	-	-	-	(21.86)	-	-	-	-	-	-	-	-
Adjustment to Non-Controlling Interest pursuant to amalgamation	-	-	-	-	-	-	-	-	-	810.97	-	-	-	810.97	(810.97)	-
Reclassification to profit or loss on disposal of a Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	7.75	7.75	-	7.75
Non-controlling Interest on aquisition of a subsidiary [Refer Note 40]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1293.80	1293.80
Purchase commitments for Non-Controlling Interests' shares [Refer Note 40]	-	-	-	-	-	-	-	-	-	(1573.40)	-	-	-	(1573.40)	-	(1573.40)
Changes in Purchase commintments of Non controlling interest's shares	-	-	-	-	-	-	-	-	-	(9.46)	-	-	-	(9.46)	-	(9.46)
Balance as at March 31, 2024	**95.28**	**35.27**	**7000.93**	**14.03**	**0.10**	**1.00**	**8.33**	**-**	**1192.97**	**6900.27**	**22.07**	**68.36**	**718.18**	**15961.51**	**1379.34**	**17436.13**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826
Mumbai, April 23, 2024

For and on behalf of the Board

N.Chandrasekaran
Chairman
(DIN 00121863)

K.P. Krishnan
Director
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Sunil D'Souza
Managing Director & CEO
(DIN 07194259)

Ajit Krishnakumar
Executive Director & COO
(DIN 08002754)

Sivakumar Sivasankaran
Chief Financial Officer

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

Rs. in Crores

		2024		2023
A. Cash Flow from Operating Activities				
Net Profit before Tax		1695.72		1793.56
Adjusted for:				
Depreciation and Amortisation	377.15		304.08	
Finance Cost	129.81		87.16	
Dividend Income	(3.79)		(2.58)	
Profit on sale of Current Investments (net)	(41.82)		(17.55)	
Fair value movement in Financial instruments at fair value through profit and loss	4.15		(6.65)	
Interest Income	(164.83)		(124.65)	
Unrealised foreign exchange (gain) / loss	(0.51)		-	
Impairment loss recognised in trade receivables & advances (net of reversal)	12.32		0.42	
Share based payment to employees	9.53		4.04	
(Profit) / Loss on sale of Property, Plant & Equipment (net) including Investment Property	(19.17)		(0.05)	
Deferred Revenue	(2.46)		(2.16)	
Rental Income from Investment Property	-		(0.80)	
Exceptional Items:				
Profit on sale of Investment Property	-		(147.54)	
Gain on conversion of Joint Ventures into Subsidiaries	-		(93.15)	
Past service cost relating to defined benefits obligation	67.45		-	
Asset write down	61.62		-	
Fair value loss on financial instrument	52.90		-	
Expenses in connection with the Scheme of arrangement and acquisitions	123.08		-	
Other Exceptional Expense / (Income) (net)	21.99		81.24	
		627.42		81.81
Operating Profit before working capital changes		2323.14		1875.37
Adjustments for:				
Trade Receivables and Other Assets	(45.08)		(36.06)	
Inventories	(3.33)		(367.98)	
Trade payables and Other Liabilities	59.77		378.61	
		11.36		(25.43)
Cash generated from/(used in) Operations		2334.50		1849.94
Direct taxes paid (net)		(397.82)		(388.65)
Net Cash from/(used in) Operating Activities		1936.68		1461.29
B. Cash Flow from Investing Activities				
Payment for Property, Plant and Equipment including Intangible Assets	(334.69)		(311.75)	
Sale of Property, Plant and Equipment including Investment Property	24.46		171.85	
Rental Income from Investment Property	-		0.80	
Sale of Non Current Investments carried at fair value through OCI	-		3.80	
Acquisition of Subsidiaries (net of TDS payable)	(3859.44)		(52.19)	
Investment in Joint Venture	(25.00)		(100.00)	
Investment in Associate	-		(50.00)	
Purchase of additional stake in a Subsidiary	-		(2.88)	
Receipt of deferred consideration	24.53		9.33	
Payment of deferred consideration	(30.00)		-	
Receipt of Government Grant	10.46		-	
Dividend Income received (including dividend from Associates and Joint Ventures)	3.79		12.72	
Interest Income received	186.85		108.67	
(Purchase) / Sale of Current Investments (net)	613.43		(436.37)	
(Placement) / Redemption of Government securities	96.14		(96.14)	
Fixed Deposits Placed	(1114.22)		(1797.18)	
Fixed Deposits Redeemed	2241.11		1641.72	
Inter Corporate Deposits and Loans Placed (including FX)	(833.24)		(1083.70)	
Inter Corporate Deposits and Loans Redeemed (including FX)	1064.90		1153.50	
Net cash from / (used in) Investing Activities		(1930.92)		(827.82)

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

Rs. in Crores

		2024			2023
C.	**Cash Flow from Financing Activities**				
	Repayment of Long term borrowings	(73.39)		(56.32)	
	Proceeds from / (Repayment of) Short term borrowings (net)	1327.42		52.55	
	Payment of Lease Liabilities	(71.34)		(55.55)	
	Dividend paid	(808.85)		(573.42)	
	Finance Cost paid	(118.29)		(81.66)	
	Net Cash from / (used in) Financing Activities		**255.55**		**(714.40)**
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		**261.31**		**(80.93)**
D.	**Cash and Cash Equivalents**				
	Opening balance of Cash and Cash Equivalents		890.39		977.11
	Cash and Cash Equivalents of the acquired companies		1.63		2.92
	Exchange Gain/ (Loss) on translation of foreign currency Cash and Cash Equivalents		18.52		(8.71)
	Balances at the end of the year		**1171.85**		**890.39**

Rs. in Crores

		2024		2023
Reconciliation with Balance Sheet				
Cash and Cash Equivalents		1171.85		890.39
Add : Bank Overdraft		1147.98		649.17
Balances at the end of the year		**2319.83**		**1539.56**

The accompanying notes are an integral part of the Consolidated Financial Statements

In terms of our report attached
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Sivakumar Sivasankaran
Chief Financial Officer

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

1. GENERAL INFORMATION

Tata Consumer Products Limited ("the Parent Company") and its subsidiaries (together referred to as 'the Group') and the Group's associates and joint ventures are engaged in the trading, production and distribution of Consumer products mainly Tea, Coffee, Water, Salt, Pulses, Spices, Snacks, Ready-to-Eat packaged food products, processed food products, etc. collectively termed as branded business. The Group has branded business mainly in India, Europe, US, Canada and Australia. The non-branded plantation business is in India and tea and coffee extraction businesses are mainly in India, Vietnam and the US.

The Parent Company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India. The Parent Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India.

The financial statements for the year ended March 31, 2024 were approved for issue by Company's Board of Directors on April 23, 2024.

2. PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

The consolidated financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Consolidated Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

(b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve-month period from the balance sheet date.

(c) Basis of consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Group's share and share of non-controlling stake holders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Investment in Associates and Joint Ventures

Associates include all entities where the Group has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group's investment in associates and joint Ventures are accounted using the equity method. Goodwill relating to associate or a joint Venture is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates and joint ventures are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its associate and joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or a joint Venture is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates and Joint Ventures' in the consolidated statement of profit and loss.

2.2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Business Combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group, and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Purchase commitments for non-controlling interests' shares -The Group has put/call options to acquire non-controlling interest of certain fully consolidated subsidiaries. At initial recognition, the financial liability is measured at the present value of the estimated purchase consideration with a charge to the Equity. In the balance sheet, the value of the commitment is disclosed as "Purchase commitments for non-controlling interests' shares".

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

(b) Property, Plant and Equipment

i) **Recognition and measurement:** Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the item. Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replacements are derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

ii) **Depreciation:** Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis or based on a technical evaluation of the asset. Land is not depreciated.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

iii) **Estimated useful lives of items of property, plant and equipment are as follows:**

Category	Useful life
Leasehold buildings / improvements	Lower of lease term or useful life
Buildings	28 to 60 years
Plant and Machinery	3 to 25 years
Furniture and Fixtures	5 to 16 years
Office Equipment	2 to 16 years
Motor vehicles	4 to 10 years

(c) Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer plants. The Group recognises tea bushes, coffee bushes, pepper vines and shade trees as bearer assets, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be within the range of 30 – 65 years.

Tea, Coffee, Pepper and minor crops are designated as agricultural produce at the point of harvest and are measured at their fair value less cost to sell. Any changes in fair value upto the point of harvest are recognised in the statement of profit and loss in the year in which they arise.

(d) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives. Depreciable investment properties have been ascribed a useful life in the range of 60 years.

Cost incurred on assets under development are disclosed under Investment Property under development and not depreciated till asset is ready to use.

(e) Intangible Assets

(i) Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as “Asset held for sale” and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

(ii) Brands and Trademarks

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses, if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/ trademark name will continue to trade and the expected lifetime of the brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Brands/trademark with indefinite useful lives are also tested for impairment annually either individually or, if the intangible asset does not generate cash flows that are largely independent of those from other assets or groups of assets, as part of the cash generating unit to which it belongs. Such intangibles are not amortised. The useful life of a brand with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Brands and trademarks having finite lives have been ascribed a useful life within a range of 3 – 35 years.

(iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the customer relationship. Customer intangibles have been ascribed a useful life within a range of 7 – 30 years.

(iv) Distribution network

Distribution network acquired in a business combination are recognised at fair value at the acquisition date. The distribution networks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the distribution network. Distribution networks have been ascribed a useful life within a range of 8 – 10 years.

(v) Patent / knowhow

Product development cost incurred on new products having enduring benefits is recognised as an Intangible Asset and are amortised over a period of 10 years.

(vi) Computer software / Website

Software development costs are expensed unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to develop and sell or use the software and the costs can be measured reliably. Directly attributable costs that are capitalised as part of the software product include the software development cost, related employee costs and an appropriate portion of relevant overheads. Other expenditure that do not meet these criteria are recognised as an expense as and when incurred, costs previously recognised as an expense are not recognised as an asset in a subsequent period. The cost incurred for acquisition of website is capitalised. In case of internally generated website, the cost is capitalised only if the future economic benefits are expected to flow to the entity and if the asset can be controlled by entity as a result of past events.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 8 years. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and put to use the specific software. These costs are amortised over their estimated useful lives of 3 to 8 years. Website costs are amortised over a period of 5 years.

(vii) Research and Development

Research expenditure is recognised in the statement of profit and loss, as and when incurred. Development expenditure is capitalised only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Group has the intent and the resources to complete the project.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

(f) Impairment of tangible and intangible assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

(g) Financial Instruments

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

Financial assets

Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Debt Instruments:

Subsequent measurement of debts instruments depends on the Group's business model for managing the assets and the cash flows of the assets. The Group classifies its financial assets in the following categories:

i) **Financial assets at amortised cost-** Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans.

ii) **Financial assets at fair value through other comprehensive income (FVTOCI) –** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represents solely payments of principal and interest, are on specified dates are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

iii) **Financial assets at fair value through profit or loss (FVTPL) -** Financial assets which are not classified in any of the categories above are FVTPL.

Equity Instruments

All equity investments are measured at fair values. The Group may irrevocably elect to measure the same either at FVOCI or FVTPL on initial recognition. The Group makes such election on an instrument-by-instrument basis. The fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Group assesses expected credit losses associated with its assets carried at amortised cost and FVOCI debt instrument based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or

(b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are reported within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to statement of profit and loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

i) Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

ii) Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) 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).

Offsetting Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Interest and dividend income

Interest income is recognised within finance income using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

(h) Inventories

Raw materials, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, Net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for auction/ privately bought teas wherein cost is measured at actual cost of each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity.

In accordance with Ind AS 41- Agriculture, inventories comprising agricultural produce that the Group has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest.

(i) Employee Benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas long term employee benefits are recognised on a discounted basis.

i) Post retirement employee benefits:

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF), Superannuation Schemes and other such schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the Group to a Self-Administered Trust, the Group is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/whole time directors as provided by the Group are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income, and subsequently not reclassified to the Statement of Profit and Loss.

The Group recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

ii) Other employee benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

iii) Employee termination benefits:

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

(j) Share based payments

The Parent Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 - Share-based Payment. For share entitlement granted by the Parent Company to its employees the estimated fair value as determined on the date of grant, is charged to the statement of profit and loss on a straight line basis over the vesting period and assessment of performance conditions, if any, with a corresponding increase in equity.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

(l) Income Tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

ii) Deferred Tax:

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

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liabilities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal, the temporary difference is not recognised. Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Foreign Currency and translations

i) Functional and presentation currency

Items included in the consolidated financial statements of the Group's and its associates and joint ventures are measured using the currency of the primary economic environment in which each entity operates (" functional currency"). The consolidated financial statements are presented in Indian Rupees (INR), which is the functional currency of the Parent Company.

ii) Group entities

The results and financial position of all the Group entities that have a functional currency different from the presentation currency of the Group are translated as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit and loss are translated at monthly exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(n) Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset or when services are rendered.

Revenue is measured based on transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of the goods and services to a customer is based on the price specified in the contract and is net of variable consideration on account of estimated sales incentives / discounts offered by the Group. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned.

The Group recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Group expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

(o) Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

(p) Leases

As a lessee

At inception of a contract, the group assesses whether a contract is or contains a lease. A contract is, or contains a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract conveys the right to use an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Group recognises a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Group recognise the lease payments as an operating expense on a straight-line basis over the term of the lease. Group has considered all leases where the value of an underlying asset does not individually exceed Rs 0.05 Crores or equivalent as a lease of low value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. These are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated on a straight-line basis over the asset's useful life (refer 2.2(b)) or the lease term whichever is shorter.

Impairment of ROU assets is in accordance with the Group's accounting policy for impairment of tangible and intangible assets.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

(q) Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(r) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to their nature or incidence.

(s) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and considering the effect of all dilutive potential ordinary shares.

(t) Segment Reporting

Segments are identified based on the manner in which the Group's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. All other items which are not attributable or allocable to segments have been disclosed as unallocable items.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets including goodwill.

(u) Cash and Cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(v) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed, if material.

2.3 KEY ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires Group management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

a) Goodwill and Intangibles

The Group records all intangible assets acquired including goodwill as part of a business combination at fair values. In relation to business combinations, judgement is required to be exercised on determining the fair values, identification and measurement of assets acquired and liabilities assumed, in allocation of purchase consideration, in deciding the amortisation policy and on tax treatment of Goodwill and intangible assets acquired. Judgement is also required to be exercised as regards the manner in which carrying amount of goodwill is likely to be recovered, for deferred tax accounting purposes. Appropriate independent professional advice is also obtained, as necessary. Goodwill has a useful life which is same as that of underlying cash generating unit. Intangible assets are assigned either an indefinite or a finite useful life, depending on the nature and expected consumption. Goodwill and indefinite lived intangible assets are as a minimum, subjected to annual tests of impairment in line with the accounting policy whereas all other intangibles assets are amortised. (Refer Note 6).

b) Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. (Refer Note 3, 4, 5 and 6).

c) Taxation

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in examining applicability and determining the provision required for taxes. (Refer Note 20).

d) Employee Benefits

The present value of the define benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds/ Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. (Refer Note 37)

e) Carrying value of derivatives and other financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable. (Refer Note 36)

f) Revenue recognition and marketing accrual

Generally in the International markets, products are often sold with sales related discounts, rebate, trade support etc. Sales are recorded based on the price specified in the sales contract, however simultaneously amount of sales promotions expenditure that would need to be incurred are also estimated and netted off from sales. Judgement is required to be exercised in determining the level of provisions that would need to be accrued. Accumulated experience is used for estimating and providing for such expenditure.

2.4 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

3. PROPERTY PLANT & EQUIPMENT

Rs. in Crores

	Land	Bearer Assets	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipment	Motor Vehicles	Total Tangible Assets
Cost								
As at April 01, 2022	**63.52**	**33.66**	**470.44**	**2246.84**	**229.01**	**8.96**	**19.38**	**3071.81**
Acquisition through Business Combination	-	-	0.62	18.87	0.46	-	3.08	23.03
Additions	-	19.92	14.45	144.78	21.14	1.11	0.12	201.52
Disposal	-	-	(1.56)	(82.32)	(9.44)	(0.52)	(4.37)	(98.21)
Adjustments / Transfer	-	-	-	1.14	-	(2.63)	(0.29)	(1.78)
Translation exchange difference	0.11	-	10.49	73.48	4.41	0.03	(0.16)	88.36
As at March 31, 2023	**63.63**	**53.58**	**494.44**	**2402.79**	**245.58**	**6.95**	**17.76**	**3284.73**
Acquisition through Business Combination	10.83	-	54.42	76.03	1.99	0.90	0.75	144.92
Additions	-	12.34	20.60	375.55	30.19	0.69	0.30	439.67
Disposal	(0.04)	-	(3.88)	(124.03)	(26.71)	(0.36)	(1.14)	(156.16)
Adjustments / Transfer	-	-	(0.86)	1.64	2.41	(2.38)	0.30	1.11
Translation exchange difference	0.12	-	2.80	31.66	4.40	(0.03)	(0.23)	38.72
As at March 31, 2024	**74.54**	**65.92**	**567.52**	**2763.64**	**257.86**	**5.77**	**17.74**	**3752.99**
Accumulated Depreciation/ Impairment								
As at April 01, 2022	**-**	**2.38**	**154.86**	**1243.00**	**173.43**	**5.07**	**12.76**	**1591.50**
Depreciation for the year	-	1.51	15.15	104.66	14.76	0.85	1.05	137.98
Disposal	-	-	(1.36)	(79.63)	(8.71)	(0.44)	(2.35)	(92.49)
Adjustments / Transfer	-	-	-	0.86	(0.70)	(1.28)	(0.29)	(1.41)
Translation exchange difference	-	-	4.96	35.76	3.77	0.03	(0.05)	44.47
As at March 31, 2023	**-**	**3.89**	**173.61**	**1304.65**	**182.55**	**4.23**	**11.12**	**1680.05**
Depreciation for the year	-	1.67	15.70	129.31	15.40	0.66	1.37	164.11
Impairment	-	-	-	51.28	-	-	-	51.28
Disposal	-	-	(3.82)	(115.26)	(26.71)	(0.35)	(0.61)	(146.75)
Adjustments / Transfer	-	-	(0.70)	(3.22)	5.79	(1.35)	0.25	0.77
Translation exchange difference	-	-	1.61	20.86	4.00	(0.02)	(0.09)	26.36
As at March 31, 2024	**-**	**5.56**	**186.40**	**1387.62**	**181.03**	**3.17**	**12.04**	**1775.82**
Net Carrying Value								
As at March 31, 2023	**63.63**	**49.69**	**320.83**	**1098.14**	**63.03**	**2.72**	**6.64**	**1604.68**
As at March 31, 2024	**74.54**	**60.36**	**381.12**	**1376.02**	**76.83**	**2.60**	**5.70**	**1977.17**

Land includes leasehold land of Rs. 2.02 Crores (Rs. 2.02 Crores) belonging to the Parent Company and an Indian subsidiary. Buildings include Rs. 5.90 Crores (Rs. 5.90 Crores) represented by shares in Co-operative Housing Societies / a Company. Certain plantation land meant for usage as tea plantations and for ancillary activities has been leased by the Parent Company to its associate company Kanan Devan Hills Plantations Company Private Limited for a period of 30 years as part of the restructure in 2005, of its South India Plantation Operations. The additions to bearer assets represent capitalisation of coffee plants which have attained maturity during the year. Capital work-in-progress includes immature plants amounting to Rs 28.86 Crores (Rs 33.29 Crores).

Capital work-in-progress ageing schedule for the year ended March 31, 2024, and March 31, 2023:

Rs. in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2024					
Projects in progress	94.87	19.50	0.85	27.31	142.53
Bearer Plants in Progress	7.91	8.81	2.80	9.34	28.86
Total	**102.78**	**28.31**	**3.65**	**36.65**	**171.39**
As at March 31, 2023					
Projects in progress	221.89	3.61	-	27.31	252.81
Bearer Plants in Progress	3.18	10.91	18.99	0.21	33.29
Total	**225.07**	**14.52**	**18.99**	**27.52**	**286.10**

4. INVESTMENT PROPERTY UNDER DEVELOPMENT

Rs. in Crores

Cost	2024	2023
Opening Balance	214.78	214.78
Closing Balance	**214.78**	**214.78**

Investment property under development - Ageing schedule and Expected completion:

Rs. in Crores

Particulars	Amount in WIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects temporarily on hold					
As at March 31, 2024	-	-	-	**214.78**	**214.78**
As at March 31, 2023	-	-	-	214.78	214.78

Rs. in Crores

Particulars	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Yeshwantpur Project				
As at March 31, 2024	-	-	-	**214.78**
As at March 31, 2023	-	-	-	214.78

The development is temporarily on hold as the Group is of the view that the approvals do not permit development to full potential. The Group is in the process of evaluating various options and obtaining necessary legal clarifications.

Fair value:

Fair value of land pertaining to Investment Property is Rs 228.30 Crores based on Valuation (sales comparable approach – level 2) by recognised independent valuers.

5. RIGHT OF USE ASSETS

Rs. in Crores

	Land	Buildings	Plant and Machinery	Office Equipment	Motor Vehicles	Total Right of Use Assets
Net Carrying Value						
As at April 01, 2022	**104.41**	**243.99**	**25.95**	**0.08**	**4.01**	**378.44**
Acquisition through Business Combination	-	3.11	-	-	-	3.11
Additions	-	40.43	19.23	-	0.66	60.32
Disposal	(0.89)	(4.78)	(0.19)	-	0.01	(5.85)
Depreciation for the year	(1.66)	(49.72)	(6.08)	(0.05)	(2.24)	(59.75)
Adjustments / Transfer	-	(0.47)	(0.07)	-	0.26	(0.28)
Translation exchange difference	6.91	0.83	0.31	-	-	8.05
As at March 31, 2023	**108.77**	**233.39**	**39.15**	**0.03**	**2.70**	**384.04**
Acquisition through Business Combination	19.92	4.09	-	-	0.20	24.21
Additions	-	158.85	7.78	0.08	5.84	172.55
Disposal	(0.91)	(1.87)	(0.07)	(0.01)	-	(2.86)
Depreciation for the year	(1.75)	(62.50)	(7.79)	(0.04)	(2.73)	(74.81)
Adjustments / Transfer	-	-	-	-	-	-
Translation exchange difference	1.21	1.34	0.14	-	0.03	2.72
As at March 31, 2024	**127.24**	**333.30**	**39.21**	**0.06**	**6.04**	**505.85**

6. GOODWILL AND OTHER INTANGIBLE ASSETS

Rs. in Crores

	Goodwill	Brands / Trademarks	Customer Intangibles	Patent / Knowhow	Capitalised Software / Website	Distribution Network	Total Other Intangible Assets
Cost							
As at April 01, 2022	**8180.73**	**2788.82**	**-**	**38.04**	**263.82**	**270.46**	**3361.14**
Acquisition through Business Combination	112.17	84.11	42.66	-	-	-	126.77
Additions	-	-	-	-	62.10	-	62.10
Disposal	-	-	-	-	(29.91)	-	(29.91)
Translation exchange difference	177.65	23.02	(1.70)	-	4.92	-	26.24
As at March 31, 2023	**8470.55**	**2895.95**	**40.96**	**38.04**	**300.93**	**270.46**	**3546.34**
Acquisition through Business Combination	2226.22	3541.60	-	-	0.24	63.40	3605.24
Additions	-	-	-	-	22.32	-	22.32
Disposal	-	-	-	-	-	-	-
Translation exchange difference	87.98	2.13	(2.18)	-	2.94	-	2.89
As at March 31, 2024	**10784.75**	**6439.68**	**38.78**	**38.04**	**326.43**	**333.86**	**7176.79**

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Rs. in Crores

	Goodwill	Brands / Trademarks	Customer Intangibles	Patent / Knowhow	Capitalised Software / Website	Distribution Network	Total Other Intangible Assets
Accumulated Depreciation / Impairment							
As at April 01, 2022	**426.62**	**297.47**	**-**	**18.32**	**189.53**	**101.42**	**606.74**
Amortisation for the year	-	40.21	0.68	2.04	29.43	33.80	106.16
Disposal	-	-	-	-	(29.65)	-	(29.65)
Translation exchange difference	18.55	17.60	(0.02)	-	4.35	-	21.93
As at March 31, 2023	**445.17**	**355.28**	**0.66**	**20.36**	**193.66**	**135.22**	**705.18**
Amortisation for the year	-	66.76	2.56	2.04	30.96	35.91	138.23
Disposal	-	-	-	-	-	-	-
Translation exchange difference	5.30	4.78	(0.08)	-	2.86	-	7.56
As at March 31, 2024	**450.47**	**426.82**	**3.14**	**22.40**	**227.48**	**171.13**	**850.97**
Net Carrying Value							
As at March 31, 2023	**8025.38**	**2540.67**	**40.30**	**17.68**	**107.27**	**135.24**	**2841.16**
As at March 31, 2024	**10334.28**	**6012.86**	**35.64**	**15.64**	**98.95**	**162.73**	**6325.82**

Brands/ Trademarks include an amount of Rs 2093.33 Crores which has been categorised as brand with indefinite life and will be annually tested for impairment. Based on analysis of all relevant factors such as market share, stability, potential obsolescence, profitability etc, the brand is expected to provide cash inflows to the Group over an indefinite period.

Intangible Assets under Development - Ageing schedule:

Rs. in Crores

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress					
As at March 31, 2024	18.21	-	-	-	18.21
As at March 31, 2023	8.45	0.35	-	-	8.80

Impairment of Goodwill and intangible assets

Management reviews the carrying value of goodwill and indefinite life intangibles annually to determine whether there has been any impairment. This involves making an assessment of the value of goodwill for each cash generating unit (CGU) and comparing it to the carrying value. If the assessed value is lower than the carrying value, then an impairment charge is recognised to reduce the carrying value to this amount. Management reviews the business performance based on the geography and type of business.

The following is a summary of the goodwill allocation to each CGU as mentioned above:

Rs. in Crores

2024	Opening	Addition	Disposal	Impairment	Foreign exchange	Closing
Branded Business						
India Business	3859.95	2226.22	-	-	-	6086.17
International Business						
UK & Europe	1772.83	-	-	-	58.74	1831.57
US	1508.84	-	-	-	21.49	1530.33
Canada	687.20	-	-	-	7.41	694.61
South Africa	92.33	-	-	-	(4.84)	87.49
Bangladesh	16.43	-	-	-	(0.12)	16.31
	4077.63	**-**	**-**	**-**	**82.68**	**4160.31**
Non Branded Business	**87.80**	**-**	**-**	**-**	**-**	**87.80**
Total Group	**8025.38**	**2226.22**	**-**	**-**	**82.68**	**10334.28**

Rs. in Crores

2023	Opening	Addition	Disposal	Impairment	Foreign exchange	Closing
Branded Business						
India Business	3859.95	-	-	-	-	3859.95
International Business						
UK & Europe	1730.60	-	-	-	42.23	1772.83
US	1391.01	-	-	-	117.83	1508.84
Canada	684.75	-	-	-	2.45	687.20
South Africa	-	95.73	-	-	(3.40)	92.33
Bangladesh	-	16.44	-	-	(0.01)	16.43
	3806.36	**112.17**	**-**	**-**	**159.10**	**4077.63**
Non Branded Business	**87.80**	**-**	**-**	**-**	**-**	**87.80**
Total Group	**7754.11**	**112.17**	**-**	**-**	**159.10**	**8025.38**

The Group has identified branded business within each country as its CGU for the purpose of allocation and monitoring of goodwill and other assets.

Value in use i.e. the enterprise value for each CGU is calculated using cash flow projections over a period of 3 - 5 years, with amounts based on medium term strategic plans. Variations to strategic plan are incorporated in the calculations based on past experience. Cash flows beyond the 3 – 5 year period are extrapolated using a long term growth rate.

Key assumptions in the business plans include future revenue, associated future levels of marketing support and other relevant costs. These assumptions are based on historical trends and future market expectations specific to each CGU and the markets and geographies in which they operate.

Other key assumptions applied in determining value in use are:

- Long term growth rate – Cash flows beyond the 3 - 5 year period are extrapolated using the estimated long-term growth rate applicable for the geographies in which the CGUs operate.
- Discount rate – The discount rate is based on a Weighted Average Cost of Capital (WACC) for comparable companies operating in similar markets and geographies adjusted for country specific risk affecting where each CGU operates.

Notes to Consolidated Financial Statements

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The long-term growth rates and discount rates applied in the value in use calculations as at March 31, 2024 are given below:

	Pre-tax discount rate	Long-term growth rate
India	16.73%	6.00%
UK & Europe	11.12%	1.10%
US	10.34% - 13.71%	2.0% - 3.20%
Canada	9.68%	3.39%
South Africa	17.15%	4.15%
Bangladesh	18.36%	5.00%

These cash generating units are engaged in trading, manufacturing and sale of a portfolio of products catering to every day consumption needs, and generally have strong market position and growth potential.

Impairment charges

Based on an assessment carried out, there are no impairment charges in the current year.

Sensitivity Analysis

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable possible changes in key assumptions based on current recent trends would cause the recoverable amount of the CGUs to be less than the carrying value.

7. INVESTMENTS

Rs. in Crores

		2024	2023
Non-current Investments			
Quoted Equity Instruments	a	91.71	25.67
Unquoted Equity Instruments	b	145.29	141.84
Unquoted Preference Shares	c	116.49	218.06
Unquoted Debentures	d	0.00	0.00
Unquoted Government Securities	d	0.00	0.00
		353.49	**385.57**
Current Investments			
Investments in Government Securities - Unquoted (Carried at Amortised cost)		-	96.14
Mutual Funds - Unquoted (Carried at Fair value through Profit or Loss)		238.64	658.60
		238.64	**754.74**
Total Investments		**592.13**	**1140.31**

Quoted investments are carried in the financial statements at market value.

Details of investments are as follows:

a) Quoted Equity Instruments

Carried at fair value through Other Comprehensive Income

Rs. in Crores

	Face Value	Nos 2024	Nos 2023	2024	2023
Tata Investment Corporation Ltd.	Rs. 10	146872	146872	91.69	25.66
Tata Chemicals Ltd.	Rs. 10	150	150	0.02	0.01
SBI Home Finance Ltd. (Under liquidation) ^	Rs. 10	100000	100000	-	-
				91.71	**25.67**

^ Investment is fully impaired.

b) Unquoted Equity Instruments

Carried at fair value through other comprehensive income

Rs. in Crores

	Face Value	Nos 2024	Nos 2023	2024	2023
Tata Sons Private Ltd. *	Rs. 1000	1755	1755	9.75	9.75
Tata Industries Ltd. *	Rs. 100	6519441	6519441	115.82	115.82
Tata Capital Ltd.	Rs. 10	613598	613598	10.00	8.29
Taj Air Ltd.	Rs. 10	22200000	22200000	7.82	6.64
Tata Services Ltd.	Rs. 1000	475	475	0.05	0.05
GNRC Ltd	Rs. 10	50000	50000	0.66	0.59
IFCI Venture Capital Funds Ltd	Rs. 10	250000	250000	1.07	0.58
Southern Scribe Instruments Pvt Ltd #	Rs. 100	7280	7280	0.07	0.07
Armstrong Power Private Limited #	Rs. 100	1100	1100	0.01	0.01
K.T.V Oil Mills Private Limited #	Rs. 100	1450	1450	0.01	0.01
ABC Tea Workers Welfare Services	Rs. 10	20000	20000	0.02	0.02
Coorg Orange Growers Co-Operative Society Ltd.$	Rs. 100	4	4	0.00	0.00
Tata Coffee Co-operative Stores Limited $	Rs. 5	20	20	0.00	0.00
Coorg Cardamom Co-operative Marketing Society Limited $	Rs. 100	1	1	0.00	0.00
Suryakiran Apartment Services Private Ltd. $	Rs. 10	2146	2146	0.00	0.00
Jalpaiguri Club Ltd. (Cost Re 1) $	Rs. 10	60	60	0.00	0.00
Sanlam	ZAR. 38	342	342	0.01	0.01
The Annamallais Ropeways Company Ltd. ^	Rs. 10	2092	2092	-	-
The Valparai Co-operative Wholesale Stores Ltd. ^	Rs. 10	350	350	-	-
Ritspin Synthetics Ltd. ^	Rs. 10	100000	100000	-	-
TEASERVE $ (The Tamil Nadu Tea Manufacturers' Service Industrial Co-Op Society Ltd)	Rs. 5000	1	1	0.00	0.00
				145.29	**141.84**

$ Investment carrying values are below Rs 0.01 Crores.

^ Investments are fully impaired.

relating to power purchase agreement.

* Costs of these unquoted equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

c) Unquoted Preference Shares

Rs. in Crores

	Face Value	Nos 2024	Nos 2023	2024	2023
Carried at Fair Value through Profit and Loss					
Investment in Associates					
Amalgamated Plantations Pvt Ltd.	Rs. 10	267000000	267000000	116.49	218.06
Other					
Thakurbari Club Ltd (Cost Re 1) $	Rs. 100	26	26	0.00	0.00
				116.49	**218.06**

$ Investment carrying values are below Rs 0.01 Crores.

Investment in preference shares of Amalgamated Plantations Pvt. Ltd (APPL) subscribed in an earlier year of Rs 37.98 Crores [67000000 shares of Rs 10 each] is redeemable with a special redemption premium, on fulfilment of certain conditions, within 20 years from the date of the issue and are designated as fair value through profit and loss. Preference shares subscribed to in the financial year 2021-22 and 2022-23 of Rs 156.74 Crores [200000000 shares of Rs 10 each] are optionally convertible, cumulative and redeemable carrying an annual coupon rate of 6% with special redemption premium issued for a period of 10 years and are also designated as fair value through profit and loss. The fair value of the preference shares as at March 31, 2024 was reassessed by an independent valuation based on estimated repayment dates and a fair value loss of Rs 52.90 Crores has been recognised in the Statement of Profit and Loss, disclosed under exceptional items. Investment in APPL preference shares is stated net of accumulated share of losses on the equity investment accounted as per equity method.

d) Unquoted Debentures and Government Securities

Carried at fair value through other comprehensive income.

Rs. in Crores

	Face Value	Nos 2024	Nos 2023	2024	2023
Unquoted Debentures					
The Bengal Chamber of Commerce & Industry - 6 1/2% Debentures $	Rs. 1000	7	7	0.00	0.00
Shillong Club Ltd - 5% Debentures - (Cost Rs 2) $	Rs. 100	31	31	0.00	0.00
				0.00	**0.00**
Unquoted Government Securities:					
W.B. Estates Acquisition Compensation Bond $				0.00	0.00
				0.00	**0.00**

$ Investment carrying values are below Rs 0.01 Crores.

8. LOANS

Rs. in Crores

	2024	2023
Non-current Loans		
Inter Corporate Loans to related party	6.00	11.25
Employee Loans and Advances	0.98	1.27
	6.98	**12.52**
Current Loans		
Inter Corporate Loans	124.86	122.75
Inter Corporate Deposit*	201.30	385.00
Inter Corporate Loans to related party	5.25	20.00
Employee Loans and Advances	3.08	1.97
	334.49	**529.72**
Total Loans	**341.47**	**542.24**

* Inter-corporate deposits placed with financial institutions yield fixed interest rate.

Sub-classification of Loans

Rs. in Crores

	2024	2023
Non-current Loans		
Loan Receivables considered good - Secured	6.00	11.25
Loan Receivables considered good - Unsecured	0.98	1.27
	6.98	**12.52**
Current Loans		
Loan Receivables considered good - Secured	122.18	120.33
Loan Receivables considered good - Unsecured	212.31	409.39
	334.49	**529.72**
Total Loans	**341.47**	**542.24**

Non-current Loans

Inter Corporate Loans to a related party amounting to Rs 6.00 Crores (Rs 11.25 Crores) is secured by way of mortgage of rights on immovable assets.

Current Loans

Inter Corporate Loans amounting to Rs. 116.93 Crores (Rs. 115.33 Crores) is secured by way of pledge of shares of the borrower and by a corporate guarantee. Inter Corporate Loans to related party amounting to Rs.5.25 Crores (Rs 5.00 Crores) is secured by way of mortgage of rights on immoveable assets.

9. OTHER FINANCIAL ASSETS

Rs. in Crores

	2024	2023
Non-current		
(unsecured and considered good unless otherwise stated)		
Security Deposit	41.46	36.46
Lease Receivables	5.37	6.34
	46.83	**42.80**
Current		
(unsecured and considered good unless otherwise stated)		
Interest Accrued	67.13	83.68
Government Incentive Receivable	26.36	23.92
Deposits	8.16	6.00
Lease Receivables	1.32	1.22
Derivative Financials Assets / Margin on Contracts		
Currency Hedges	2.33	12.83
Commodity Hedges	25.68	17.80
Interest rate swap	3.76	4.09
Others	15.06	43.32
	149.80	**192.86**
Total Other Financial Assets	**196.63**	**235.66**

Non-current security deposits include doubtful deposits which are fully provided - Rs 0.33 Crores (Rs 0.33 Crores).

Current deposits include doubtful balances which are fully provided - Rs 0.38 Crores (Rs 0.38 Crores). Others include receivable from related parties – Rs 13.71 Crores (Rs 2.94 Crores). Interest accrued includes due from related party – Nil (Rs 0.07 Crores).

10. OTHER ASSETS

Rs. in Crores

	2024	2023
Non-current Assets		
(unsecured and considered good unless otherwise stated)		
Capital Advance	6.06	9.75
Pension Surplus	-	102.74
Taxes Receivables	71.43	57.03
Others	38.75	25.60
	116.24	**195.12**
Current Assets		
(unsecured and considered good unless otherwise stated)		
Prepaid Expenses	107.17	84.62
Taxes Receivables	346.20	321.33
Other Trade Advance	124.32	107.54
	577.69	**513.49**
Total Other Assets	**693.93**	**708.61**

Other trade advance includes doubtful advances which are fully provided – Rs 0.54 Crores (Rs 1.24 Crores). Other trade advance include advance paid to related parties – Rs 5.57 Crores (Rs 34.37 Crores).

11. INVENTORIES

(At lower of cost and net realisable value)

Rs. in Crores

	2024	2023
Raw Material	1299.95	1374.90
Finished Goods	946.38	869.37
Stock in Trade	403.59	329.87
Work in Progress	48.01	50.74
Stores and Spare Parts	71.42	76.79
Total Inventories	**2769.35**	**2701.67**

Raw material includes in-transit inventory of Rs. 28.30 Crores (Rs. 35.38 Crores) and Stock in Trade includes in-transit inventory of Rs. 15.23 Crores (Rs. 0.93 Crores). During the year ended March 31, 2024, Rs 64.62 Crores (Rs 59.22 Crores) was charged to the statement of profit and loss for slow moving and obsolete inventories.

12. TRADE RECEIVABLES

Rs. in Crores

Particulars	**2024**	**2023**
Trade Receivables considered good - Secured	17.52	24.91
Trade Receivables considered good - Unsecured	879.23	773.42
Trade Receivables - Credit Impaired	40.77	39.69
	937.52	**838.02**
Less : Allowance for Credit Impairment	(40.77)	(39.69)
Total Trade Receivables	**896.75**	**798.33**

Secured receivables are backed by security deposits. Trade receivables considered good – Unsecured includes receivables amounting to Rs 30.42 Crores (Rs 41.22 Crores) due from a related party.

Ageing of Trade Receivables:

Rs. in Crores

Particulars	**Not Overdue**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 months	**6 Months to 1 Year**	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	
As at March 31, 2024							
Undisputed Trade receivables considered good-Unsecured	687.85	154.97	13.17	21.97	0.26	1.01	879.23
Undisputed Trade receivables considered good-Secured	17.52	-	-	-	-	-	17.52
Undisputed Trade Receivables – credit impaired	0.04	0.77	2.49	1.44	5.63	19.59	29.96
Disputed Trade Receivables – credit impaired	-	-	-	-	-	10.81	10.81
	705.41	**155.74**	**15.66**	**23.41**	**5.89**	**31.41**	**937.52**
Less: Allowance for credit loss							(40.77)
Total Trade Receivables							**896.75**
As at March 31, 2023							
Undisputed Trade receivables considered good-Unsecured	493.24	221.49	14.91	19.23	-	-	748.87
Undisputed Trade receivables considered good-Secured	46.03	1.97	0.55	0.91	-	-	49.46
Undisputed Trade Receivables – credit impaired	-	2.16	1.19	3.63	17.12	4.78	28.88
Disputed Trade Receivables – credit impaired	-	-	-	-	10.81	-	10.81
	539.27	**225.62**	**16.65**	**23.77**	**27.93**	**4.78**	**838.02**
Less: Allowance for credit loss							(39.69)
Total Trade Receivables							**798.33**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

13. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES

Rs. in Crores

	2024	2023
Cash and Cash Equivalents		
Balances with Bank		
Current Account	1360.28	741.81
Deposit Account	959.42	797.61
Cash/Cheques in hand	0.13	0.14
	2319.83	**1539.56**
Other Bank Balances		
Deposit Account	117.54	1242.68
Unclaimed Dividend Account	17.12	14.70
	134.66	**1257.38**
	2454.49	**2796.94**

Balances in current accounts mainly pertain to the international markets and are interest bearing. Balance with banks under current account includes Rs 1142.73 Crores (Rs 638.45 Crores) which forms part of the overall Group's cash-pooling arrangement, with corresponding offsetting balances under bank overdraft (Refer Note 15).

14. EQUITY SHARE CAPITAL AND OTHER EQUITY

a) Equity Share Capital

Rs. in Crores

	2024	2023
Authorised		
1500000000 (1250000000) Equity Shares of Re.1 each	150.00	125.00
Issued, Subscribed and Paid-Up		
952834816 (929011650) Equity Shares of Re.1 each, fully paid-up	95.28	92.90
	95.28	**92.90**

As a part of Scheme of arrangement (Refer Note iii below), the Authorised Share Capital of the Company stand increased to Rs. 150 Crores made up of 1500000000 Equity Shares of Re. 1/- each.

i) Reconciliation of the number of shares as at March 31, 2024:

	2024	2023
Number of shares as at the beginning and end of the year	929011650	921551715
Add: Shares issued during the year	23823166	7459935
Number of shares as at the end of the year	952834816	929011650

ii) Rights, preferences and restrictions of equity shares:

The Parent Company has one class of equity shares having a par value of Re 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

iii) Equity shares allotted as fully paid-up (during 5 year preceding March 31, 2024) pursuant to contracts without payment being received in cash:

During the year, the Parent Company issued 2,38,23,166 equity shares on January 19, 2024, consequent to the composite scheme of arrangement (the Scheme), amongst the Parent Company and its subsidiaries, Tata Coffee Limited (TCL) and TCPL Beverages & Foods Limited (TBFL). The said scheme provided for demerger of the Plantation Business (as defined in the Scheme) of TCL into TBFL followed immediately by the amalgamation of the TCL comprising of the Remaining Business (as defined in the Scheme) with the Parent Company. As part of the demerger of the Plantation Business of Tata Coffee Limited (TCL) into TCPL Beverages & Foods Limited (TBFL), 36,09,571 equity shares were issued and on the amalgamation of the TCL comprising of the Remaining Business with the Parent Company further 2,02,13,595 equity shares were issued, as consideration, to all the non-controlling shareholders of TCL in accordance with the Share Exchange Ratio mentioned in the Scheme. The effect of the said transaction with non-controlling interest is reflected in the Statement of Changes in Equity.
Further, pursuant to the Scheme, the name of TCPL Beverages & Foods Limited was changed to Tata Coffee Limited with effect from February 02, 2024.

During the financial year 2022-23, 74,59,935 equity shares were issued consequent to acquisition of 10.15% additional stake in Tata Consumer Products UK Group Limited, an overseas subsidiary from Tata Enterprises (Overseas) AG.

During the financial year 2019-20, 29,04,21,986 equity shares were issued consequent to and as part of the merger of Food business of Tata Chemicals Limited with the Parent Company.

iv) Details of shareholders holding more than 5% shares:

Name of Shareholder	No of shares / % of holding	
	2024	2023
Tata Sons Private Limited	270557128	270557128
	28.39%	29.12%
Life Insurance Corporation of India	76605809	63538449
	8.04%	6.84%

v) Shares held by promoters at the end of the year:

Rs. in Crores

Promoter name	No of shares	% of total shares	% Change during the year
Tata Sons Private Limited			
As at March 31, 2024	270557128	28.39%	-0.73%
As at March 31, 2023	270557128	29.12%	-0.24%

vi) Dividend paid:

	2024	2023
Dividend paid (Rs in Crores)	785.01	557.54
Dividend per share (Rs.)	8.45	6.05

The Board of Directors in its meeting held on April 23, 2024 has recommended a final dividend payment of Rs 7.75 per share for the financial year ended March 31, 2024.

b) Other Equity

Rs. in Crores

	2024	2023
Capital Reserve	35.27	15.79
Securities Premium	7000.93	7000.93
Share Based Payment Reserve	14.03	4.50
Capital Redemption Reserve	0.10	0.10
Contingency Reserve	1.00	1.00
Amalgamation Reserves	8.33	8.33
Revaluation Reserve	-	21.86
General Reserve	1192.97	1184.69
Retained Earnings	6900.27	7372.30
Other Comprehensive Income		
- Effective portion of Cash Flow Hedge	22.07	(1.77)
- Fair value gains/(loss) on Equity Instruments	68.36	7.24
- Foreign Currency Translation Reserve	718.18	568.84
	15961.51	**16183.81**

Nature and purpose of reserves:

i) Capital Reserve

Capital Reserve was created consequent to the acquisition of certain plantation businesses.

ii) Securities Premium

Securities premium reserve had been created consequent to issue of shares at a premium. These reserves can be utilised in accordance with Section 52 of Companies Act 2013.

iii) Contingency Reserve

Contingency Reserve is in the nature of free reserves.

iv) Amalgamation Reserves

Amalgamation reserve was created pursuant to the scheme of amalgamation of Asian Coffee Ltd., Coffee Land Ltd., SIFCO Ltd and erstwhile Tata Coffee Ltd.

v) Share based Payment Reserve

Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested and vested shares not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

vi) Revaluation Reserve

Revaluation Reserve was created on acquisition of shares of an Indian subsidiary. During the year on amalgamation of the same with the Parent Company, the balance has been transferred to the Capital reserve.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

15. BORROWINGS

Rs. in Crores

	2024	2023
(Secured unless otherwise stated)		
Non Current		
Loan From Banks		
Term Loan	212.92	270.71
	212.92	**270.71**
Less : Maturing within the next 12 months	(44.57)	(64.59)
Total Non current Borrowings	**168.35**	**206.12**
Current		
Loan from Banks		
Current Maturities of Long Term Borrowings	44.57	64.59
Bank Overdraft	1147.98	649.17
Commercial Paper - Unsecured*	1214.30	-
Working Capital Facilities	17.29	8.17
Working Capital Facilities - Unsecured	361.36	254.77
Total Current Borrowings	**2785.50**	**976.70**
Total Borrowings	**2953.85**	**1182.82**

*Includes Rs. 1165 Crores of bridge finance for acquisition of Capital Foods Private Limited. The bridge finance is planned to be liquidated by raising of funds through proposed rights issue.

Note: Change in liabilities is on account of financing activities which have been disclosed in the Statement of Cash Flow. The liabilities as at the year-end are also impacted by the translation of overseas financial statements for consolidation purposes.

Non-Current Borrowings

Term Loan

Debt amounting to Rs 196.70 Crores (Rs 265.50 Crores) is repayable over a period of 8 years in half yearly instalments commencing from financial year 2020-21, interest being charged at the Libor plus a margin. The borrowing is secured by a charge over the plant and machinery of an overseas subsidiary and guarantee given by its immediate parent. The agreement requires compliance with various financial covenants, including restrictions on capital expenditures, additional indebtedness, acquisitions, distributions to shareholders and net worth.

Term loan amounting to Rs. 12.82 Crores is a foreign currency loan and repayable in 60 monthly instalments beginning from December 2020, till November 2025. The loan carry fixed interest rate and secured by a first and exclusive hypothecation charge on all existing and future current assets and moveable fixed assets including tangible and intangible assets of an Indian subsidiary.

Debt amounting to Rs 3.40 Crores (Rs 5.25 Crores) is repayable in equal monthly instalments over a period of ranging between 2 and 45 months. The borrowing is secured over movable assets of an overseas subsidiary.

Current Borrowings

Bank Overdraft

Bank overdrafts of Rs 1142.73 Crores (Rs 638.45 Crores) are part of a Group's cash-pooling arrangement, interest charged at a margin over I.C.E. benchmark administration settlement rate, with corresponding offsetting balances under cash and cash equivalent (Refer Note 13). The remaining bank overdraft of Rs. 5.25 Crores (Rs 10.72 Crores) pertains to certain overseas subsidiaries secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts.

Working Capital Facilities

Working capital facilities of Rs. 17.29 Crores (8.17 Crores) are secured by way of hypothecation of raw materials, finished goods, stores and spares and book debts.

16. OTHER FINANCIAL LIABILITIES

Rs. in Crores

	2024	2023
Non-Current		
Contingent consideration payable	73.81	91.38
Purchase commitments for Non Controlling Interests' shares	1642.02	57.25
Others	9.90	12.08
	1725.73	**160.71**
Current		
Unpaid Dividends	17.12	14.70
Derivative Financial Liabilities		
Currency Hedges	0.62	3.89
Commodity Hedges	3.77	0.93
Purchase consideration payable (Refer Note 40)	19.77	-
Other Payables	226.95	208.46
	268.23	**227.98**
Total Financial Liabilities	**1993.96**	**388.69**

There are no amounts due to and outstanding to be credited to the Investor Education and Protection Fund.

17. PROVISIONS

Rs. in Crores

	2024	2023
Non-Current		
Employee Benefits	225.69	167.49
	225.69	**167.49**
Current		
Employee Benefits	40.20	35.76
Other Provisions	122.82	41.64
	163.02	**77.40**
Total Provisions	**388.71**	**244.89**

Rs. in Crores

Movement of Other Provisions – Current:	2024	2023
Business Restructuring and Reorganisation Cost		
Opening Balance	39.90	30.54
Provision made during the year	92.80	28.87
Amount paid / adjusted during the year	(11.62)	(19.51)
Closing Balance	**121.08**	**39.90**
Provisions for Trade Obligation		
Opening Balance	1.74	1.74
Closing Balance	**1.74**	**1.74**
Total Closing Balance	**122.82**	**41.64**

18. TRADE PAYABLES

Rs. in Crores

	2024	2023
Trade Payables	2661.41	2300.65
Trade Payables to related parties	45.74	47.53
Total Trade Payables	**2707.15**	**2348.18**

Ageing of Trade Payables:

Rs. in Crores

Particulars	Outstanding for following periods from due date of payment					Total
	Not Overdue	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at March 31, 2024						
Others	2197.88	437.66	51.93	9.95	2.89	2700.31
Disputed Dues	-	-	-	-	6.84	6.84
	2197.88	**437.66**	**51.93**	**9.95**	**9.73**	**2707.15**
As at March 31, 2023						
Others	977.53	1299.39	55.74	4.09	4.59	2341.34
Disputed Dues	-	-	-	-	6.84	6.84
	977.53	**1299.39**	**55.74**	**4.09**	**11.43**	**2348.18**

19. OTHER LIABILITIES

Rs. in Crores

	2024	2023
Non-Current		
Government Grants	19.20	-
	19.20	**-**
Current		
Statutory Liabilities	55.10	62.18
Advance from Customers	63.67	51.50
Others	57.49	59.81
	176.26	**173.49**
Total Other Liabilities	**195.46**	**173.49**

20. TAXATION

(a) Tax charge in the statement of profit and loss

Rs. in Crores

	2024	2023
Current tax		
Current year	455.29	381.17
Adjustment relating to earlier years	14.01	(4.41)
	469.30	**376.76**
Deferred tax charge / (credit)	(74.57)	70.28
Income tax expenses for the year	394.73	447.04

(b) Reconciliation of tax expense and tax based on accounting profit:

Rs. in Crores

	2024	2023
Profit before tax	**1695.72**	**1793.56**
Tax at Indian tax rate of 25.17% (PY - 25.17%)	426.78	451.40
Effects of:		
Difference in tax rate	(10.61)	(19.76)
Impact of change in UK tax rate	-	4.76
Non-deductible tax expenses	45.41	15.41
Income exempt from income taxes	(7.52)	(20.70)
Expense subject to enhanced deduction	-	(7.71)
Non-creditable taxes	0.89	7.34
Tax adjustment relating to previous years	14.01	(4.41)
Losses for which no deferred tax asset is recognised	36.33	23.30
Recognition of tax effect of previously unrecognised tax losses	(111.70)	(5.29)
Others	1.14	2.70
	394.73	**447.04**

(c) Income tax assets / (liabilities)

Rs. in Crores

	2024	2023
Non-current tax assets		
Income Tax	82.16	139.76
Dividend Distribution Tax Credit	20.54	20.54
	102.70	**160.30**
Current tax assets		
Income Tax	5.42	20.83
	5.42	**20.83**
Total Tax Assets	**108.12**	**181.13**
Current tax liabilities (Net)		
Income Tax	27.11	65.92
Total Tax Liabilities	**27.11**	**65.92**
Net Income tax assets / (liabilities)	**81.01**	**115.21**

(d) Analysis of deferred tax assets and deferred tax liabilities:

Rs. in Crores

	2024	2023
Deferred Tax Assets	142.15	48.64
Deferred Tax Liabilities	(1795.20)	(863.04)
Net Deferred Tax Assets / (Liabilities)	**(1653.05)**	**(814.40)**

(e) The movement in deferred tax assets and (liabilities) during the year:

Rs. in Crores

	Depreciation & Amortisation (including unabsorbed depreciation)	Employee Benefits Obligation	Tax losses and other timing differences	Total
As at April 01, 2022	**(788.28)**	**(19.13)**	**73.72**	**(733.69)**
Acquisition through business combination	(35.52)	-	(0.79)	(36.31)
Statement of Profit and Loss (charge) /credit	(83.33)	2.12	10.93	(70.28)
(Charge)/credit relating to other comprehensive income	(19.20)	26.51	26.59	33.90
Transalation exchange difference	(14.08)	0.10	5.96	(8.02)
As at March 31, 2023	**(940.41)**	**9.60**	**116.41**	**(814.40)**
Acquisition through business combination	(911.31)	5.26	(11.52)	(917.57)
Statement of Profit and Loss (charge) /credit	(43.30)	22.97	94.90	74.57
(Charge)/credit relating to other comprehensive income	-	17.17	(15.70)	1.47
Transalation exchange difference	(3.71)	(0.57)	7.16	2.88
As at March 31, 2024	**(1898.73)**	**54.43**	**191.25**	**(1653.05)**

Consequent to the amendments in the Indian Income Tax Act, 1961, depreciation on Goodwill is no longer available as a deduction from taxable income with effect from April 01, 2020, except that it's written down value is available as a deduction in the event of sale of the underlying business. On goodwill of Rs 3578.51 Crores recognised in the financial statements of the Parent Company, through business combinations, no additional taxable temporary differences are expected to arise, having regard to the nature of the businesses to which the goodwill relates. [Also refer notes 2.3(a) and 6].

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities only if they relate to income taxes levied by the same authority.

(f) Unrecognised tax items

As at March 31, 2024, unrecognised deferred tax assets on account of tax losses amount to Rs 144.05 Crores (Rs 263.72 Crores) in various jurisdictions, which can be carried forward up to a specified period or indefinitely.

21. REVENUE FROM OPERATIONS

Rs. in Crores

	2024	2023
Revenue from contract with customers		
Revenue from sale of goods	15092.77	13653.46
Revenue from sale of services	5.74	6.35
	15098.51	**13659.81**
Other Operating Revenues		
Royalty Income	40.79	42.99
Government Incentive	22.33	23.34
Miscellaneous Receipts	44.22	57.02
	107.34	**123.35**
	15205.85	**13783.16**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

22. OTHER INCOME

Rs. in Crores

	2024	2023
Interest Income		
Interest Income on Advances and Deposits carried at amortised cost	160.34	123.08
Interest on tax refund	4.49	5.53
Dividend income		
Non-current investments designated at fair value through OCI	3.79	2.58
Others		
Fair value movement in Financial instruments at fair value through profit or loss	(4.15)	(3.96)
Gains on Current Investments (net)	41.82	24.20
Other Non Operating Income	39.33	17.45
	245.62	**168.88**

23. COST OF MATERIALS CONSUMED

Rs. in Crores

	2024	2023
Raw Materials Consumed	4408.75	4204.03
Packing Materials Consumed	1321.45	1172.53
	5730.20	**5376.56**

24. CHANGE IN INVENTORIES OF FINISHED GOODS/WORK-IN-PROGRESS/STOCK IN TRADE

Rs. in Crores

	2024	2023
Stock as at April 01		
Finished Goods	869.37	629.56
Stock-in-Trade	329.87	286.85
Work-in-Progress	50.74	48.27
	1249.98	**964.68**
Stock as at March 31		
Finished Goods	946.38	869.37
Stock-in-Trade	403.59	329.87
Work-in-Progress	48.01	50.74
	1397.98	**1249.98**
	(148.00)	**(285.30)**
Add/Less: Adjustment due to acquisition on Business Combination	(26.40)	(11.42)
	(121.60)	**(273.88)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

25. EMPLOYEES BENEFITS EXPENSE

Rs. in Crores

	2024	2023
Salaries, Wages and Bonus*	1135.04	1012.92
Contribution to Provident Fund and other Funds	82.60	70.77
Workmen and Staff Welfare Expenses	40.95	36.67
	1258.59	**1120.36**

* Includes Rs 9.53 Crores (Rs 4.04 Crores) towards share based payment incentives

Employee Shared based payment incentives

The Parent Company has share based incentives for certain employees under Tata Consumer Products Limited- Share-based Long Term Incentive Scheme 2021 ("TCPL SLTI Scheme 2021") approved by Nomination and Remuneration Committee (NRC).

As per the scheme, the number of shares that will vest is conditional upon certain performance measures being achieved and will be settled through equity shares only. The performance will be measured over vesting period of 3 years. The shares granted under this scheme is exercisable by employees till one year from date of its vesting.

The Parent Company has granted performance share units at an exercise price of Re 1 per share. Shares granted will vest after 3 years from date of grant. Number of shares that will vest range from 0.5 to 1.2 per performance share unit granted depending on performance measures achieved.

Reconciliation of Performance Share Units (Numbers)	2024	2023
Outstanding at the beginning of the year	164680	65780
Granted during the year	264201	113545
Forfeited/Expired during the year	(25746)	(14645)
Exercised during the year	-	-
Outstanding at the end of the year	**403135**	**164680**
Out of above :		
Vested	100	-
Unvested	403035	164680
Remaining Contractual Life	**10-25 Months**	**22-29 Months**

During the year the performance shares units were granted on April 25, 2023. The estimated fair value of performance share units is based on the quoted share price. The aggregate of the estimated fair values of the performance share units granted is Rs 30.84 Crores (Rs 8.59 Crores) which will be recognised in the Statement of Profit and Loss over the vesting period.

26. FINANCE COSTS

Rs. in Crores

	2024	2023
Interest expense on financial liabilities valued at amortised cost	91.46	55.38
Interest expense on lease liabilities	32.46	26.75
Interest on defined benefit plans (Net)	5.89	5.03
	129.81	**87.16**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

27. DEPRECIATION AND AMORTISATION EXPENSES

Rs. in Crores

	2024	2023
Depreciation on Property, Plant and Equipment	164.11	137.98
Depreciation on Investment Property	-	0.19
Depreciation on Right of Use Assets	74.81	59.75
Amortisation of Intangible Assets	138.23	106.16
	377.15	**304.08**

28. OTHER EXPENSES

Rs. in Crores

	2024	2023
Manufacturing and Contract Packing Expenses	235.45	212.87
Consumption of Stores and Spare Parts	71.75	72.61
Power and Fuel	156.90	149.43
Repairs and Maintenance	139.38	120.19
Rent	64.39	70.60
Freight	687.42	633.64
Advertisement and Sales Charges	977.69	866.18
Legal and Professional Expenses	197.65	214.84
Miscellaneous Expenses	568.62	460.26
	3099.25	**2800.62**

Miscellaneous expenses include exchange gain of Rs 3.24 Crores (Rs 0.96 Crores) against which offsets are available elsewhere in the Statement of Profit and Loss.

29. EXCEPTIONAL ITEMS

Rs. in Crores

	2024	2023
Income		
Profit on sale of Investment Property	-	147.54
Gain on conversion of Joint Ventures into Subsidiaries	-	93.15
Others	-	2.05
	-	**242.74**
Expenditure		
Re-organisation and business restructure costs	(14.24)	(79.46)
Expenses in connection with the Scheme of arrangement (Refer note 14a(iii))	(92.20)	(3.83)
Past service cost relating to defined benefits obligation	(67.45)	-
Asset write down	(61.62)	-
Fair value loss on financial instrument (Refer note 7c)	(52.90)	-
Expenses in connection with acquisition	(30.88)	-
Reclass of Foreign Currency Translation reserve on dissolution of a overseas Subsidiary	(7.75)	-
	(327.04)	**(83.29)**
	(327.04)	**159.45**

30. EARNINGS PER SHARE

	2024	2023
Group Net Profit attributable to owners of parent (Rs in Crores)	1150.33	1203.77
Weighted average number of Equity Shares Outstanding during the year	933763265	924862700
Add: Effect of dilutive equity shares - Weighted average number of Performance share unit outstanding	386963	164414
Weighted average number of Equity Shares Outstanding during the year	**934150228**	**925027114**
Earnings Per Share (Rs.)		
Basic	12.32	13.02
Diluted	12.32	13.02

31. RESEARCH & DEVELOPMENT EXPENDITURE RECOGNISED DURING THE YEAR:

Rs. in Crores

	2024	2023
i. Capital	0.70	5.36
ii. Revenue	34.28	30.99
	34.98	**36.35**

32. CAPITAL COMMITMENT

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2024 – Rs 92.95 Crores (Rs 173.56 Crores).

b) Commitment towards Share Capital contributions in Joint Ventures - Rs 125.00 Crores (Rs 25.00 Crores).

33. CONTINGENCIES AND LITIGATIONS

a) Statutory and Commercial claims:

Rs. in Crores

	2024	2023
i. Taxes, Statutory Duties/ Levies etc.	91.56	44.01
ii. Commercial and other Claims	4.76	11.20
	96.32	**55.21**

b) Past service liabilities and certain labour disputes for which amounts are not ascertainable. Labour disputes under adjudication for an Indian subsidiary Rs 0.26 Crores (Rs 0.65 Crores).

c) Commercial liability claims not established – amounts not ascertainable.

34. LEASES

Group's leasing arrangements are for premises (residential, office, factory, godown and Stores), equipment and vehicles, these ranges between 5 months to 60 years and are usually renewable on mutually agreed terms.

Lease liabilities as at March 31, 2024

Rs. in Crores

	2024	2023
Non-Current Lease Liabilities	459.55	362.21
Current Lease Liabilities	63.82	55.01
Total Lease Liabilities	**523.37**	**417.22**

Contractual maturities of lease liabilities on an undiscounted basis:

Rs. in Crores

	2024	2023
Less than one year	99.57	88.04
One to two years	91.57	71.15
Two to five years	182.48	145.22
More than five years	424.78	353.50
Total	**798.40**	**657.91**

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are expected to maximise operational flexibility in terms of managing the assets used in Group's operation. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Movement in the net investment in sublease of Right of Use Asset:

Rs. in Crores

	2024	2023
Balance at beginning of the year	7.56	7.07
Additions to net investment during the year	-	1.41
Interest Income accrued during the year	0.26	0.21
Lease Receipts	(1.13)	(1.13)
Balance at the end of the year	**6.69**	**7.56**

Contractual maturities of net investment in sublease of Right of Use Asset on an undiscounted basis:

Rs. in Crores

	2024	2023
Less than one year	1.37	1.31
One to two years	1.24	1.34
Two to three years	0.79	0.79
Three to Four years	0.79	0.79
Four to Five years	0.79	0.79
More than five years	1.95	2.74
Total	**6.93**	**7.76**

Expenses recognised on account of short-term and low value leases are disclosed under Rent in Other Expenses (Refer Note 28).

35. INTEREST IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries as at March 31, 2024 are given below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group. The country of incorporation or registration is also their principal place of business and effective ownership are listed below:

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2024	2023	2024	2023
1	Tata Consumer Products Capital Ltd.	UK	Holding company	100.00	100.00	-	-
2	Tata Consumer Products UK Group Ltd.	UK	Holding company	100.00	100.00	-	-
	Subsidiaries of Tata Consumer Products UK Group Ltd.						
3	Tata Global Beverages Holdings Ltd.	UK	Dormant	100.00	100.00	-	-
4	Tata Global Beverages Services Ltd.	UK	Dormant	100.00	100.00	-	-
5	Tata Consumer Products GB Ltd.	UK	Manufacturing of tea, marketing and distribution of beverages and food Products	100.00	100.00	-	-
6	Tata Consumer Products Overseas Holdings Ltd.	UK	Holding company	100.00	100.00	-	-
7	Tata Global Beverages Overseas Ltd.	UK	Dormant	100.00	100.00	-	-
8	Lyons Tetley Ltd.	UK	Dormant	100.00	100.00	-	-
9	Drassington Ltd.	UK	Dormant	100.00	100.00	-	-
10	Teapigs Ltd.	UK	Marketing and distribution of tea	100.00	100.00	-	-
11	Teapigs US LLC	USA	Marketing and distribution of tea	100.00	100.00	-	-
12	Stansand Ltd.	UK	Dormant	100.00	100.00	-	-
13	Stansand (Brokers) Ltd.	UK	Dormant	100.00	100.00	-	-
14	Stansand (Africa) Ltd.	Kenya	Purchase and sale of tea	100.00	100.00	-	-
15	Stansand (Central Africa) Ltd.	Malawi	Purchase and sale of tea	100.00	100.00	-	-
16	Tata Consumer Products Polska sp.zo.o	Poland	Marketing and distribution of tea	100.00	100.00	-	-
17	Tata Consumer Products US Holdings Inc.	USA	Holding company	100.00	100.00	-	-
18	Tata Consumer Products US Inc. (Formerly Tetley USA Inc.)	USA	Marketing and distribution of tea	100.00	100.00	-	-
19	Tata Waters LLC	USA	Marketing and distribution of beverages and food products	100.00	100.00	-	-
20	Good Earth Corporation.	USA	Holding company	100.00	100.00	-	-
21	Good Earth Teas Inc.	USA	Marketing and distribution of tea	100.00	100.00	-	-
22	Tata Consumer Products Canada Inc.	Canada	Marketing and distribution of beverages and food products	100.00	100.00	-	-
23	Tata Consumer Products Australia Pty Ltd.	Australia	Marketing and distribution of tea	100.00	100.00	-	-
24	Tata Global Beverages Investments Ltd.	UK	Dormant	100.00	100.00	-	-
25	Suntyco Holding Ltd.	Cyprus	Holding company	100.00	100.00	-	-

Sl No.	Name of entity	Country of incorporation	Principal Activities	Effective ownership (%)		Interest held by non-controlling interests (%)	
				2024	2023	2024	2023
26	Onomento Co Ltd.	Cyprus	Holding and assignment of Trademark	100.00	100.00	-	-
27	Joekels Tea Packers (Proprietary) Ltd.	South Africa	Manufacturing, marketing and distribution of tea	75.00	75.00	25.00	25.00
28	Tata Consumer Products Bangladesh Ltd. (Formerly Tetly ACI (Bangladesh) Ltd.	Bangladesh	Manufacturing, marketing and distribution of tea	100.00	100.00	-	-
29	Tata Coffee Limited (Formerly TCPL Beverages and Foods Limited)	India	Manufacturing, marketing and distribution of Coffee & tea	100.00	100.00	-	-
30	Tata Coffee Vietnam Company Ltd.	Vietnam	Manufacturing, marketing and distribution of Coffee	100.00	57.48	-	42.52
31	Consolidated Coffee Inc.	USA	Holding company	100.00	78.70	-	21.30
	Subsidiaries of Consolidated Coffee Inc.						
32	Eight O'Clock Holdings Inc.	USA	Holding company	100.00	78.70	-	21.30
33	Eight O'Clock Coffee Company.	USA	Manufacturing, marketing and distribution of Coffee	100.00	78.70	-	21.30
34	Tata Tea Extractions Inc.	USA	Manufacturing, marketing and distribution of tea	100.00	100.00	-	-
35	NourishCo Beverages Ltd.	India	Marketing and distribution of Water	100.00	100.00	-	-
36	Tata Consumer Soulfull Private Ltd.	India	Manufacturing, marketing and distribution of Food Products	100.00	100.00	-	-
37	Tata Smartfoodz Ltd.	India	Manufacturing, marketing and distribution of Food Products	100.00	100.00	-	-
38	Capital Foods Private Limited (w.e.f February 01,2024)	India	Manufacturing, marketing and distribution of Food Products	75.00	-	25.00	-
39	Tril Constructions Ltd.	India	Development of real estate and infrastucture facilities	80.46*	80.46*	19.54	19.54
40	Tata Tea Holdings Private Ltd.	India	Investment company	100.00	100.00	-	-
41	Earth Rules Pty Ltd. (Dissolved on December 22, 2023)	Australia	Dormant	-	100.00	-	-
42	Campestres Holdings Ltd. (Dissolved on February 16, 2024)	Cyprus	Dormant	-	100.00	-	-
43	Kahutara Holdings Ltd. (Dissolved on February 16, 2024)	Cyprus	Dormant	-	100.00	-	-

* on fully diluted basis

(b) Non-Controlling Interest (NCI)

The material non-controlling interests in the current year arise from Group's 75% share in Capital Foods Private Limited. In the previous year, material non-controlling interest represented 42.52% minority stake in Tata Coffee Limited (Intermediate holding company of Consolidated Coffee Inc., USA, its subsidiaries, and Tata Coffee Vietnam Company Ltd.) which was amalgamated with the Parent Company during the year.

Summarised financial information in respect of subsidiaries that has non-controlling interests which are material to the Group are disclosed below, presented before inter-company eliminations with the rest of the Group:

Summarised Balance Sheet:

Rs. in Crores

	Capital Foods Private Ltd		Tata Coffee Ltd (CFS)	
	2024	2023	2024	2023
Non-current assets	202.36	-	-	2655.19
Current assets	164.83	-	-	1404.28
Total Assets	**367.19**	**-**	**-**	**4059.47**
Non-current liabilities	17.61	-	-	715.08
Current liabilities	85.01	-	-	993.21
Total Liabilities	**102.62**	**-**	**-**	**1708.29**
Net Assets	**264.57**	**-**	**-**	**2351.18**
Accumulated Non Controlling Interest*	1288.70	-	-	761.27

*Non-controlling interest was recognised at fair value on the date of acquisition.

Summarised Statement of Profit and Loss:

Rs. in Crores

	Capital Foods Private Ltd^		Tata Coffee Ltd (CFS)	
	2024	2023	2024	2023
Revenue	114.47	-	-	2850.15
Profit/(Loss) for the year	16.44	-	-	321.16
Other Comprehensive Income	(0.08)	-	-	83.81
Total Comprehensive Income	**16.36**	**-**	**-**	**404.97**
Profit allocated to NCI (Including Group adjustments)	(5.01)	-	-	111.89
Total Comprehensive Income allocated to NCI	(0.02)	-	-	133.32
Dividend paid to NCI	-	-	-	15.88

Summarised Statement of Cash Flows:

Rs. in Crores

	Capital Foods Private Ltd^		Tata Coffee Ltd (CFS)	
	2024	2023	2024	2023
Cash Flows from operating activities	(69.10)	-	-	292.80
Cash Flows from investing activities	73.02	-	-	(16.79)
Cash Flows from financing activities	(1.95)	-	-	(232.93)
Net increase/ (decrease) in cash and cash equivalents	**1.97**	-	-	**43.08**

^Capital Foods Private Ltd. was acquired on February 01, 2024, the relevant financial information is from the date of acquisition.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

(c) Interest in Joint Ventures and Associates

Rs. in Crores

	2024	2023
Investment in Joint Ventures	258.54	274.62
Investment in Associates	19.88	18.04
	278.42	**292.66**

Joint Ventures

A list of Group's joint ventures is given below. All joint ventures are included in the Group's financial statements using the equity method of accounting:

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2024	% holding 2023
1	Tata Starbucks Private Ltd.	India	Operating Starbucks Cafes in India	50.00	50.00
2	Tetley Clover (Pvt) Ltd. (under liquidation)	Pakistan	Dormant	50.00	50.00

An analysis of the Group's investments in joint ventures is as follows:

Rs. in Crores

	2024	2023
April 01	274.62	224.63
Addition	25.00	100.00
Disposal	-	(33.09)
Share of Profits / (Loss)	(40.92)	(4.74)
Share of Other Comprehensive Income	(0.16)	0.75
Dividend Received	-	(10.92)
Translation exchange difference	-	(2.01)
March 31	**258.54**	**274.62**

Addition relates to additional equity investment in Tata Starbucks Private Ltd. – Rs 25.00 Crores (Rs 100.00 Crores)

Financial information

None of the joint ventures of the Group is individually material, financial information aggregating 100% of the results is as follows:

Rs. in Crores

	2024	2023
Profit / (loss) after tax	(81.84)	(10.02)
Other Comprehensive Income	(0.32)	1.50
Total Comprehensive Income	**(82.16)**	**(8.52)**

The joint ventures have no significant contingent liabilities to which the Group is exposed, and the Group has no significant contingent liabilities in relation to its interest in the joint ventures and associates. The risks associated with the Group's interest in joint ventures are the same as those identified for the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Associates

A list of Group's associates is given below. All associates are included in the Group's financial statements using the equity method of accounting:

Sl No.	Name of entity	Country of incorporation	Principal Activities	% holding 2024	% holding 2023
1	Amalgamated Plantations Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	41.03	41.03
2	Kanan Devan Hills Plantation Co. Pvt. Ltd.	India	Manufacturing, marketing and distribution of tea	28.52	28.52

An analysis of the Group's investments in associates is as follows:

Rs. in Crores

	2024	2023
April 01	18.04	9.68
Share of Profits / (Loss)	(44.67)	(21.64)
Share of Other Comprehensive Income	2.30	(3.46)
Dividend Received	(0.32)	(0.24)
March 31	**(24.65)**	**(15.66)**
Adjusted with Investment in Preference Shares	44.53	33.70
Investment in Associates	**19.88**	**18.04**

Financial information

None of the associates of the Group is individually material, financial information aggregating 100% of the results is as follows:

Rs. in Crores

	2024	2023
Profit / (loss) after tax	(108.86)	(51.57)
Other Comprehensive Income	7.53	(10.18)
Total Comprehensive Income	**(101.33)**	**(61.75)**

Other comprehensive income mainly represents re-measurement losses on defined benefits obligation.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

36. FINANCIAL INSTRUMENTS

A. Accounting classification and fair values

Rs. in Crores

2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
Quoted Equity Investments	-	91.71	-	**91.71**	91.71	-	-	**91.71**
Unquoted Equity Investments *	-	145.29	-	**145.29**	-	11.90	133.39	**145.29**
Unquoted Preference Shares	116.49	-	-	**116.49**	-	-	116.49	**116.49**
Units of Mutual Funds	238.64	-	-	**238.64**	238.64	-	-	**238.64**
Loans								
Non-current	-	-	6.98	**6.98**	-	-	-	**-**
Current	-	-	334.49	**334.49**	-	-	-	**-**
Trade Receivables	-	-	896.75	**896.75**	-	-	-	**-**
Cash and Cash Equivalent	-	-	2319.83	**2319.83**	-	-	-	**-**
Other Bank balances	-	-	134.66	**134.66**	-	-	-	**-**
Other Financial Assets								
Non-current	-	-	46.83	**46.83**	-	-	-	**-**
Current	2.33	19.22	128.25	**149.80**	-	21.55	-	**21.55**
	357.46	**256.22**	**3867.79**	**4481.47**	**330.35**	**33.45**	**249.88**	**613.68**
Financial liabilities								
Borrowings								
Non-current	-	-	168.35	**168.35**	-	-	-	**-**
Current	-	-	2785.50	**2785.50**	-	-	-	**-**
Lease Liabilities								
Non-current	-	-	459.55	**459.55**	-	-	-	**-**
Current	-	-	63.82	**63.82**	-	-	-	**-**
Trade payables	-	-	2707.15	**2707.15**	-	-	-	**-**
Other Financial Liabilities								
Non-current	1715.83	-	9.90	**1725.73**	-	-	1715.83	**1715.83**
Current	0.70	23.46	244.07	**268.23**	0.70	23.46	-	**24.16**
	1716.53	**23.46**	**6438.34**	**8178.33**	**0.70**	**23.46**	**1715.83**	**1739.99**

2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
Quoted Equity Investments	-	25.67	-	**25.67**	25.67	-	-	**25.67**
Unquoted Equity Investments *	-	141.84	-	**141.84**	-	9.63	132.21	**141.84**
Unquoted Preference Shares	218.06	-	-	**218.06**	-	-	218.06	**218.06**
Unquoted Government securities	-	-	96.14	**96.14**	-	-	-	**-**
Units of Mutual Funds	658.60	-	-	**658.60**	658.60	-	-	**658.60**
Loans								
Non-current	-	-	12.52	**12.52**	-	-	-	**-**
Current	-	-	529.72	**529.72**	-	-	-	**-**
Trade Receivables	-	-	798.33	**798.33**	-	-	-	**-**
Cash and Cash Equivalent	-	-	1539.56	**1539.56**	-	-	-	**-**
Other Bank balances	-	-	1257.38	**1257.38**	-	-	-	**-**
Other Financial Assets								
Non-current	-	-	42.80	**42.80**	-	-	-	**-**
Current	12.83	7.34	172.69	**192.86**	-	20.17	-	**20.17**
	889.49	**174.85**	**4449.14**	**5513.48**	**684.27**	**29.80**	**350.27**	**1064.34**
Financial liabilities								
Borrowings								
Non-current	-	-	206.12	**206.12**	-	-	-	**-**
Current	-	-	976.70	**976.70**	-	-	-	**-**
Lease Liabilities								
Non-current	-	-	362.21	**362.21**	-	-	-	**-**
Current	-	-	55.01	**55.01**	-	-	-	**-**
Trade payables	-	-	2348.18	**2348.18**	-	-	-	**-**
Other Financial Liabilities								
Non-current	148.63	-	12.08	**160.71**	-	-	148.63	**148.63**
Current	-	4.23	223.16	**227.98**	-	4.82	-	**4.82**
	148.63	**4.23**	**4183.46**	**4336.91**	**-**	**4.82**	**148.63**	**153.45**

* For certain unquoted equity investments categorized under level 3, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represent the best estimate of fair value within that range. For other assets and liabilities categorised under level 3, a one percentage point change in the unobservable inputs used in fair valuation does not have a significant impact in its value.

Measurement of fair values

The basis of measurement in respect to each class of financial asset / liability is disclosed in Note 2.2(h) of the financial statements

The fair value of liquid mutual funds and long term equity investment is based on active market. Fair values of certain non-current investment are valued based on discounted cash flow/book value / EBITDA multiple approach. Derivative financial instruments are generally valued based on Black-Scholes-Merton approach and Dollar offset principles.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

Credit risk

Liquidity

Market risk

i. Risk management framework

The Risk Management Committee of the Board is entrusted with the responsibility to assist the Board in overseeing and approving the Group's risk management framework. The Group has a comprehensive risk policy relating to the risks that the Group faces under various categories like strategic, operational, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Group's credit risk are spread both geographically as well as across customers. Majority of our customers in the developed markets have good credit rating. In addition, Group has an established credit policy and a credit review mechanism. The Group also covers certain category of its debtors through a credit insurance policy. The insurance provider sets an individual credit limit and also monitors the credit risk of the consumer. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Group is certain about the non-recovery.

(a) Trade receivables

The credit worthiness of trade debtors and the credit terms set are determined in individual regions and countries. There are no particular concentrations of credit risk as the Group's customer base is large. Trade receivables are considered a single class of financial assets, and based on the Group's experience of collecting receivables and associated defaults there is a low credit risk across regions and countries. In certain regions adequate insurance cover has been taken on trade receivables to further reduce the risk of default.

The fair values of trade and other receivables, deposits or bank guarantees are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when they become overdue. Management believes that the unimpaired amounts that are past due are collectible in full, based on historical payment pattern and analysis of customer credit risk.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Movement of allowance for credit impairment of trade receivables are as follows:

Rs. in Crores

	2024	2023
As at April 01	39.69	39.18
Acquired on Acquisition	0.60	-
Impairment loss recognised	0.43	0.37
Translation exchange difference	0.05	0.14
As at March 31	40.77	39.69

(b) Financial instruments and cash deposits

The credit risk from balances / deposits with banks, other financial assets and current investments are managed in accordance with the Group's approved policy. Investments of surplus funds are made only with approved counterparties and within the limits assigned to each counterparties. The limits are assigned to mitigate the concentration risks. These limits are actively monitored by the treasury department.

iii. Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations. The Group's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities (excluding lease liabilities) at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements:

Rs. in Crores

2024	**Within 1 year**	**Due from 1 to 2 years**	**Due from 2 to 5 years**	**After 5 Years**
Borrowings	2789.66	45.60	118.60	-
Trade payables	2707.15	-	-	-
Other financial liabilities	269.73	4.58	2213.75	-
	5766.54	**50.18**	**2332.35**	**-**

Rs. in Crores

2023	**Within 1 year**	**Due from 1 to 2 years**	**Due from 2 to 5 years**	**After 5 Years**
Borrowings	976.70	53.24	117.74	38.79
Trade payables	2348.18	-	-	-
Other financial liabilities	217.85	13.81	116.39	105.75
	3542.73	**67.05**	**234.13**	**144.54**

The Group ensures that there is adequate finance available to fund growth and has adequate capacity to fund its obligations. The Group monitors rolling forecasts of its liquidity positions on the basis of expected cash flows to ensure sufficient liquidity through its cash reserves and various undrawn third party borrowing arrangements in place. The Group is also confident that if the need arises debt can be raised from the market at attractive terms. The Parent Company carries highest credit rating quality for its short term fund based lines from a reputed rating agency.

iv. Market risk

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as currency risk, interest rates risk and commodity price risk.

Currency Risk

The Group operates across various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Group's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities and consolidation of foreign subsidiaries.

The Group uses various derivative financial instruments governed by its board approved policy, such as foreign exchange forward and option contracts to mitigate the said risk. The counterparty for these contracts is generally a bank. The Group reports periodically to the Audit Committee of the board, the various foreign exchange risk and policies implemented to manage its foreign exchange exposures.

During the year ended March 31, 2024, the Group has designated certain foreign exchange forward contracts and option contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions. Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

The currency profile of financial assets and financial liabilities:

Rs. in Crores

2024	USD	GBP	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	284.21	-	20.39	304.60
Trade Payables and Other Financial Liabilities	98.90	3.16	50.07	152.13

Rs. in Crores

2023	USD	GBP	Other Currencies	Total
Trade Receivable and Other Financial Assets including loans/advances	253.93	7.97	29.28	291.18
Trade Payables and Other Financial Liabilities	93.87	0.32	80.72	174.91

The following table gives details in respect of outstanding foreign currency forward and option contracts:

Rs. in Crores

Category	Currency Pair	2024			2023		
		Notional Amount in FCY Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores*	Notional Amount in FCY Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores*
Forward Contracts Outstanding							
i) Exports	CAD / GBP	18.00	110.36	0.43	16.00	97.05	2.11
	USD / INR	40.33	336.24	0.49	29.39	241.64	0.13
	AUD / INR	6.05	32.77	(0.03)	6.60	36.29	0.04
	EUR / INR	0.22	1.98	0.02	1.01	9.02	(0.55)
	GBP/INR	0.04	0.39	0.00	0.99	10.05	(0.20)
ii) Payables	USD / GBP	29.50	245.93	1.93	31.00	254.84	(3.30)
	EUR / GBP	4.12	37.07	(0.13)	9.25	82.70	(0.24)
iii) Loans given	USD / GBP	21.96	183.05	(0.38)	20.75	170.58	2.66
iv) Loan to subsidiaries	USD / GBP	-	-	-	64.75	532.29	8.30
v) Receivables from Subsidiaries	CAD / GBP	-	-	-	2.80	16.98	0.02
	USD / GBP	13.73	114.45	(0.24)	14.50	119.20	1.86
vi) Bank Deposits	VND/USD	1.00	8.34	0.08	0.40	3.29	(0.01)

* converted at the year end exchange rates
Fair value represents impact of mark to market value as at year end.

Following table summarises approximate gain / (loss) on the Group's profit before tax and pre-tax equity on account of appreciation / depreciation of underlying foreign currencies:

Rs. in Crores

Details	2024		2023	
	Effect on Profit before tax	Effect on Pre-tax Equity	Effect on Profit before tax	Effect on Pre-tax Equity
5% appreciation of the underlying foreign currencies	0.11	(26.68)	2.52	(23.78)
5% depreciation of the underlying foreign currencies	(0.11)	27.54	(2.52)	24.98

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its debt obligations with floating interest rates. The Group uses interest rate swap contracts to manage interest rate exposure on its long term debt obligations. The Group has entered into an interest rate swap whereby the Group pays a fixed rate of interest and receives a floating rate of interest on approximately half of the balance of term debt. These derivatives have been designated as cash flow hedges. In addition, the interest rate risk, can also impacts the provision for retiral benefits.

Details of Interest rate swap which the Group has entered into for hedging its interest rate exposure on borrowing:

Rs. in Crores

Category	Currency	2024			2023		
		Foreign Currency in Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores*	Foreign Currency in Mn	Equivalent Amount in Rs in Crores*	Fair Value Amount in Rs in Crores*
Term Loan **	USD	11.80	98.35	3.76	17.64	145.01	4.09

* converted at the year end exchange rates

** to the extent of swap entered

Fair value represents impact of mark to market value as at year end.

The following table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings affected, with all other variables held constant:

Rs. in Crores

Change	2024	2023
	Effect on Profit before tax	Effect on Profit before tax
25 basis points increase	(0.25)	(0.31)
25 basis points decrease	0.25	0.31

Price Risk

Commodity Price risk

The Group is exposed to fluctuations in price of certain commodities mainly tea, salt, pulses and coffee. Mismatch in demand and supply, adverse weather conditions, market expectations etc, can lead to price fluctuations. For tea, these fluctuations are managed through active sourcing, distribution of source of supply, private purchases and alternate blending strategies without impacting the quality of the blend. For salt and pulses, these fluctuations are managed through active sourcing and commercial negotiation with customers and suppliers.

Further, the Group uses coffee futures and option contracts for US coffee operations, to reduce the price risk associated with forecasted purchases of coffee beans.

The Group enters into coffee futures based on market price and anticipated production requirements. These coffee futures have been designated as cash flow hedges and the unrealised gain / (loss) or fair value is recorded in other comprehensive income (OCI). The Group also enters into various call and put option contract to protect the price. The fair value of the unsettled contracts is recorded in other current assets or other current liabilities. The realised and unrealised gains and losses on these contracts are included in Statement of Profit and Loss as a part of Cost of Materials Consumed.

Outstanding position for various commodity derivatives financial instruments:

Rs. in Crores

Commodity	Futures & Options	2024			2023		
		Notional Value in USD Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores *	Notional Value in USD Mn	Equivalent Amount in Rs in Crores *	Fair Value Amount in Rs in Crores *
a) Coffee	Futures (Net)	13.06	108.91	12.51	15.83	130.11	2.23
b) Coffee	Options (Net)	0.22	1.80	(0.82)	1.56	12.85	0.10

* converted at the year end exchange rate

Fair value represents impact of mark to market value as at year end.

Equity investment Price risk

The price risk is the risk arising from investments held by the Group and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.

The Group's equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the current investments are all in units of overnight and liquid mutual funds and these are not exposed to significant price risk.

Capital Management

The Group's objective for capital management is to maximise shareholder wealth, safeguard business continuity and support the growth of the Group. The Group determines the capital management requirement based on annual operating plans and

long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows.

The Group's adjusted net debt and equity position as at March 31, 2024 was as follows:

Rs. in Crores

	2024	2023
Total Borrowings	2953.85	1182.82
Less : Cash and cash equivalent including bank deposits	2437.37	2782.24
Less : Current Investments	238.64	754.74
Less : Inter-corporate Loans (excludes accrued interest)	337.41	539.00
Adjusted net (cash) / debt	**(59.57)**	**(2893.16)**
Total Equity	**17436.13**	**17126.88**

37. EMPLOYEE BENEFITS OBLIGATION

i) Defined contribution plans

The Group operates certain defined contribution schemes like provident fund and defined contribution superannuation schemes. Contributions are made by the Group, based on current salaries, to funds maintained by the Group and, for certain categories contributions are made to State Plans. For certain schemes, contributions are also made by the employees.

Amount recognised in the statement of profit and loss on account of defined contribution schemes is Rs 63.47 Crores (Rs 53.49 Crores).

ii) Defined benefit plans

(a) Pension benefits

The Group also operates defined benefits pension plans in India and UK. The defined benefit schemes in India, which are closed to future accruals, offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.

The Group sponsors a defined benefit pension plan, the Tetley GB Final Salary Scheme (the “Scheme”), in the UK with benefits based on final salary. The Group closed the Scheme to future accrual with effect from April 06, 2005. The final salary pension plans provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the members’ length of service and their salary in the schemes final year. Payments from the scheme are generally indexed in line with the retail price index. The benefit payments are from trustee-administered funds. Responsibility for governance of the plan including investment decisions lies with the board of trustees. Contribution schedules are triennially agreed between the Group and the board of trustees. The board of trustees comprise of representatives of the Group and plan participants in accordance with the plan’s regulations.

(b) Gratuity

The Group provides for gratuity for employees in India covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days’ salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

(c) Post-employment medical benefits

The Group operates post-employment medical benefits scheme to eligible employees in India and to former employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes.

(d) Others

There are other superannuation benefits restricted to certain categories of employees/directors in the form of pension, medical and other benefits in terms of a specific policy.

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for the year ended March 31, 2024

(e) Post-employment life assurance benefits

The Group operates post-employment life assurance benefits to former employees in the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes.

(f) Leave obligation

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

The table below outlines the net position of the Group's post-employment benefits plan:

Rs. in Crores

	2024	2023
Defined benefits - India		
Pension	0.34	1.42
Gratuity	10.19	(4.02)
Post employment medical benefits	63.95	55.77
Others	114.99	101.96
Defined benefits - Overseas		
Pension	25.23	(102.74)
Life Assurance benefits	3.52	3.10
Post employment medical benefits	6.87	6.65
Liabilities / (Assets) in the balance sheet	**225.09**	**62.14**

Net Liabilities / (Assets) recognised in balance sheet for defined benefits:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Present Value of Funded defined benefit obligation at the year end	3.30	2.43	172.80	154.43	-	-	-	-	1236.06	1155.57
Fair value of plan assets at the end of the year	5.08	3.42	162.61	158.45	-	-	-	-	1210.83	1258.31
	(1.78)	**(0.99)**	**10.19**	**(4.02)**	**-**	**-**	**-**	**-**	**25.23**	**(102.74)**
Present Value of Unfunded defined benefit obligation at the year end	1.33	2.08	-	-	63.95	55.77	114.99	101.96	-	-
Asset ceiling	0.79	0.33	-	-	-	-	-	-	-	-
Amount recognised in Balance Sheet	0.34	1.42	10.19	(4.02)	63.95	55.77	114.99	101.96	25.23	(102.74)

Changes in the Defined Benefit Obligation:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Opening Defined Benefit Obligation	4.51	5.39	154.43	155.82	55.77	58.29	101.96	106.96	1155.57	1479.57
Acquired on Business Combination	-	-	4.45	-	-	-	-	-	-	-
Current Service cost	-	-	11.66	11.12	0.98	1.28	3.24	3.86	-	-
Past Service Cost*	-	-	2.06	-	-	-	-	(0.91)	67.45	-
Interest on Defined Benefit Obligation	0.35	0.31	10.74	10.16	4.14	3.99	7.50	7.22	54.30	37.67
Actuarial changes arising from change in experience	(0.88)	(0.25)	1.39	0.13	1.66	(1.35)	4.62	(2.23)	(5.17)	28.05
Actuarial changes arising from change in demographic assumption	-	0.02	-	0.07	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumption	0.05	(0.09)	6.13	(6.95)	3.22	(4.75)	4.25	(5.91)	(13.44)	(347.23)
Benefits Paid	(0.53)	(0.87)	(13.78)	(15.93)	(1.82)	(1.69)	(6.58)	(7.03)	(60.51)	(61.62)
Liability assumed/(settled)	1.13	-	(4.28)	0.01	-	-	-	-	-	-
Translation exchange difference	-	-	-	-	-	-	-	-	37.86	19.13
Closing Defined Benefit Obligation	**4.63**	**4.51**	**172.80**	**154.43**	**63.95**	**55.77**	**114.99**	**101.96**	**1236.06**	**1155.57**

*Past service costs of Rs 67.45 Crores for overseas pension relates to the equalisation adjustment of the retirement ages for the members of the Pension scheme in an overseas subsidiary.

Changes in the Fair value of Plan Assets during the year:

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2024	2023	2024	2023	2024	2023
Opening fair value of Plan assets	3.42	3.81	158.45	154.84	1258.31	1703.99
Acquired on Business Combination	-	-	4.61	-	-	-
Employers contribution	-	-	4.34	8.92	-	-
Interest on Plan Assets	0.27	0.19	11.35	10.53	59.52	43.47
Administrative cost	-	-	-	-	(8.42)	(4.03)
Actual return on plan assets less interest on plan assets	0.58	0.03	1.41	(0.05)	(78.57)	(442.02)
Benefits Paid	(0.32)	(0.61)	(13.31)	(15.81)	(60.51)	(61.62)
Assets acquired on Acquisition / (settled on Divestiture)	1.13	-	(4.24)	0.02	-	-
Translation exchange difference	-	-	-	-	40.50	18.52
Closing Fair value of plan assets	**5.08**	**3.42**	**162.61**	**158.45**	**1210.83**	**1258.31**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

Expense recognised in the statement of profit and loss for the year:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Current Service Cost	-	-	11.66	11.12	0.98	1.28	3.24	3.86	-	-
Past Service Cost	-	-	2.06	-	-	-	-	(0.91)	67.45	-
Interest cost on defined benefit obligation (net)	0.08	0.12	(0.61)	(0.37)	4.14	3.99	7.50	7.22	(5.22)	(5.80)
Total recognised in the statement of profit and loss	**0.08**	**0.12**	**13.11**	**10.75**	**5.12**	**5.27**	**10.74**	**10.17**	**62.23**	**(5.80)**

Amounts recognised in Other Comprehensive Income for the year:

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Actuarial changes arising from change in demographic assumption	-	0.02	-	0.07	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumption	0.05	(0.09)	6.13	(6.95)	3.22	(4.75)	4.25	(5.91)	(13.44)	(347.23)
Actuarial changes arising from changes in experience assumption	(0.88)	(0.25)	1.39	0.13	1.66	(1.35)	4.62	(2.23)	(5.17)	28.05
Return on plan asset excluding interest Income	(0.58)	(0.03)	(1.41)	0.05	-	-	-	-	78.57	442.02
Adjutment to recognise the effect of asset ceiling	0.46	0.04	-	-	-	-	-	-		
Total (gain) / loss recognised in Other Comprehensive Income	**(0.95)**	**(0.31)**	**6.11**	**(6.70)**	**4.88**	**(6.10)**	**8.87**	**(8.14)**	**59.96**	**122.84**

Principal Actuarial assumptions used:

India	**2024**	**2023**
Discount rates	7.20%/7.22%	7.50%/7.60%
Salary Escalation Rate	8% for Management Staff 7% for Staff /Workers	8% for Management Staff 7% for Staff /Workers
Annual increase in health care cost	8%	8%
Pension increase rate	18% after every three years	18% after every three years
Mortality rates	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

Overseas	2024	2023
Discount rate	4.80%	4.70%
Inflation assumptions		
- RPI	3.55%	3.55%
Rate of increase in pensions in payment	3.80%	3.80%
Rate of increase in pensions in deferment	3.55%	3.55%
Mortality Rates	Approved norms for overseas schemes	Approved norms for overseas schemes

Quantitative sensitivity analysis for significant assumption as at the year ended March 31, 2024 is as below:

Rs. in Crores

	India				Overseas
	Pension	Gratuity	Medical	Others	Pension
Impact of increase in 50 basis point in discount rate on Defined Benefit Obligation	(0.06)	(6.15)	(3.95)	(4.97)	(65.10)
Impact of decrease in 50 basis point in discount rate on Defined Benefit Obligation	0.06	6.59	4.41	5.37	71.21
Impact of increase in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	6.55	-	-	-
Impact of decrease in 50 basis point in salary escalation rate on Defined Benefit Obligation	-	(6.17)	-	-	-
Impact of increase in 100 basis point in health care costs on Defined Benefit Obligation	-	-	9.02	0.17	-
Impact of decrease in 100 basis point in health care costs on Defined Benefit Obligation	-	-	(7.39)	(0.14)	-
Impact of increase in 50 basis point in RPI inflation rate on Defined Benefit Obligation	-	-	-	-	24.41
Impact of decrease in 50 basis point in RPI Inflation Rate on Defined Benefit Obligation	-	-	-	-	(23.40)
Impact of increase in 100 basis point in pension rate on Defined Benefit Obligation	0.05	-	-	2.96	-
Impact of decrease in 100 basis point in pension rate on Defined Benefit Obligation	(0.05)	-	-	(2.86)	-
Impact of increase in 1 year in Life Expectancy on Defined Benefit Obligation	0.12	-	3.53	4.70	39.67
Impact of decrease in 1 year in Life Expectancy on Defined Benefit Obligation	(0.12)	-	(3.56)	(4.69)	(40.69)

Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. For the overseas pension fund, interest rate and inflation risks have been hedged, as explained in the section on risk hereunder.

Notes to Consolidated Financial Statements

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Major Categories of Plan Assets:

Rs. in Crores

	India				Overseas	
	Pension		Gratuity		Pension	
	2024	2023	2024	2023	2024	2023
Insurance managed Funds	5.04	3.35	162.23	158.30	-	-
Liability Driven Investments (LDI)	-	-	-	-	622.23	669.34
Corporate bonds	-	-	-	-	575.99	572.70
Cash & Insurance policies	-	-	-	-	12.61	16.27
Others	0.04	0.07	0.38	0.15	-	-
Total	**5.08**	**3.42**	**162.61**	**158.45**	**1210.83**	**1258.31**

Risks

India

The Group contributes all its ascertained liabilities towards gratuity to the trust set up for the same. Trustees administer the contributions made to the trust. As at March 31, 2024 and March 31, 2023, the plan assets have been primarily invested in insurer managed funds.

Overseas

The nature of the Scheme exposes the Group to the risk of paying unanticipated additional contributions to the Scheme in times of adverse experience. The most financially significant risks are likely to be:

– **Asset volatility**

The Scheme's liabilities are calculated using a discount rate set with reference to corporate bond yields in line with the requirements of Ind AS 19. If the Scheme assets underperform this yield, it will increase the deficit.

– **Changes in bond yields**

A decrease in corporate bond yields will increase Scheme liabilities. In the event of a reduction in the corporate bond yields there will be an increase in the value of the Scheme's interest rate swaps and derivatives held which reduce exposure to the risk by approximately 100%.

– **Inflation risk**

The Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The hedging strategy in place means through the use of inflation swaps and derivatives the Scheme assets hedge approximately 100% of this risk.

– **Life expectancy**

The Scheme's obligation is to provide benefits for the life of the members. An increase in life expectancy will result in an increase in the Scheme's liabilities.

Asset-liability matching strategies used by the overseas scheme

The Scheme's stated investment strategy includes holding a benchmark allocation of 50% to liability-driven investments which involves hedging the Scheme's exposure to changes in interest rates and inflation through the use of liability driven investments (LDI) which typically involves swaps and derivatives. The benchmark allocation also includes a 50% benchmark holding in corporate bonds.

Expected contributions over the next financial year:

The Group expect to contribute approximately Rs 12.90 Crores to the scheme in the year ending March 31, 2024.

Maturity Profile of defined benefit obligation (undiscounted basis):

Rs. in Crores

	India								Overseas	
	Pension		Gratuity		Medical		Others		Pension	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Within next 12 months	1.87	1.50	28.34	22.86	2.76	2.50	8.04	6.29	74.63	74.26
Between 2 and 5 years	1.95	2.11	64.67	59.23	12.11	10.94	34.01	29.85	264.87	247.19
Between 6 and 9 years	0.78	0.98	59.45	56.83	13.77	12.35	35.87	32.43	292.20	278.72
10 years and above	1.10	1.33	185.24	180.94	118.46	96.75	188.15	170.52	1629.16	1637.74

Post-employment life assurance benefits - Overseas

The Group operates post-employment life assurance benefits to former employees in the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes. The liability recognised in the balance sheet as at March 31, 2024 was Rs 3.52 Crores (Rs 3.10 Crores).

Post-employment medical benefits - Overseas

The Group operates post –employment medical benefits scheme to eligible former employees in the UK and the US. These plans are unfunded and the valuation method is similar to those used for defined benefit pension schemes with the addition of actuarial assumptions relating to the long-term increase in healthcare costs in the US of 4.80% p.a. and in the UK of 6.5% p.a. The liability recognised in the balance sheet as at March 31, 2024 was Rs 6.87 Crores (Rs 6.65 Crores).

iii) Provident Fund

The Parent Company and its Indian subsidiary operate Provident Fund Schemes and the contributions are made to recognised funds maintained by the Parent Company and an Indian subsidiary and for certain categories contributions are made to State Plans. The said companies have an obligation to fund any shortfall on the yield of the trust's investments over the administered rates on an annual basis. The Actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumption.

The details of fund and plan assets position are given below:

Rs. in Crores

	2024	2023
Plan Assets as at year end	355.88	326.23
Present value of Funded Obligation at period end	358.08	326.23
Amount recognised in the Balance Sheet	**(2.20)**	**-**

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Rs. in Crores

	2024	2023
Guaranteed Rate of Return	8.25%	8.15%
Discount Rate for remaining term to Maturity of Investment	7.20%	6.75%/7.55%
Expected Rate of Return on Investment	7.56%	7.94%/8.14%

38. SEGMENT INFORMATION

A. General Information

The Group has organised its businesses into Branded Segment and Non Branded Segment. Branded Segment is further sub-categorised as India Business and International Business.

Description of each segment is as follows:

i) **Branded Business -**

India Business: Sale of branded tea, coffee & water and sale of food products in various value added forms International Business: Sale of branded tea, coffee & water and sale of food products in various value added forms

ii) **Non-Branded Business: Plantation and Extraction business for tea, coffee and other produce.**

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators of the operating segments. The CODM reviews revenue and operating profits as the performance indicator for all of the operating segments and also reviews the total assets and liabilities of an operating segment.

B. Information about reportable segments

a) **Segment Revenue**

Rs. in Crores

	2024	2023
Branded Business		
India Business	9736.47	8716.98
International Business	3925.43	3589.47
Total Branded	**13661.90**	**12306.45**
Non Branded Business	1577.39	1500.07
Total Segments Revenue	**15239.29**	**13806.52**
Others	57.54	48.68
Less: Inter-Segment Revenue	(90.98)	(72.04)
Revenue from External Customer	**15205.85**	**13783.16**

b) **Segment Results**

Rs. in Crores

	2024	2023
Branded Business		
India Business	1347.87	1192.85
International Business	484.54	379.81
Total Branded	**1832.41**	**1572.66**
Non Branded Business	248.22	122.42
Total Segment Results	**2080.63**	**1695.08**
Add/Less:		
Other Income*	206.29	151.42
Finance Cost	(129.81)	(87.16)
Unallocable items	(134.35)	(125.23)
Exceptional Items	(327.04)	159.45
Profit before Income Tax	**1695.72**	**1793.56**

*Excludes other income considered as part of segment results.

c) Segment Assets and Liabilities

Rs. in Crores

	2024	2023
Segment Assets		
Branded Business		
India Business	15327.50	9305.33
International Business	6231.58	6070.66
Total Branded Business	21559.08	15375.99
Non Branded Business	**2167.16**	**1880.04**
Total Segment	23726.24	17256.03
Unallocable Corporate Assets	4294.70	5555.10
Total Assets	**28020.94**	**22811.13**
Segment Liabilities		
Branded Business		
India Business	2504.47	2058.79
International Business	1053.37	947.29
Total Branded Business	3557.84	3006.08
Non Branded Business	**261.45**	**210.45**
Total Segment	3819.29	3216.53
Unallocable Corporate Liabilities	6765.52	2467.72
Total Liabilities	**10584.81**	**5684.25**

d) Addition to non-current assets

Rs. in Crores

	2024	2023
Branded Business		
India Business	6219.90	136.33
International Business	216.55	409.25
Total Branded Business	6436.45	545.57
Non Branded Business	**88.15**	**66.93**
Total Segments	**6524.60**	**612.50**

Non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets.

e) Depreciation and Amortisation Expense

Rs. in Crores

	2024	2023
Branded Business		
India Business	226.00	173.84
International Business	88.74	73.51
Total Branded Business	314.74	247.35
Non Branded Business	**62.41**	**56.73**
Total Segments	**377.15**	**304.08**

C. Additional information by Geographies

Rs. in Crores

Revenue by Geographical Market	2024	2023
India	10818.70	9734.45
USA	1786.03	1848.30
United Kingdom	1439.94	1243.77
Rest of the World	1161.18	956.64
Revenue from External Customer	**15205.85**	**13783.16**

Rs. in Crores

Non-Current Assets by Geographical Market	2024	2023
India	14227.68	8129.09
USA	1835.74	1807.60
United Kingdom	2273.34	2098.62
Rest of the World	1334.63	1404.80
Total Non Current Assets	**19671.39**	**13440.10**

Notes to Segment information

a) The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Un-allocable items include expenses incurred on common services at the corporate level.

b) Pricing of inter segment transfers are based on benchmark market prices.

c) Revenue from geographical market is based on the location of origin of sale.

39. RELATED PARTY TRANSACTION

a) Related parties other than Joint Ventures and Associates with whom Group has transactions are given below, Refer Note 35 for list of Joint Ventures and Associates.

Promoter
Tata Sons Private Limited

Subsidiaries and Joint Venture of Tata Sons Private Limited
Tata Consultancy Services Limited
Tata Investment Corporation Limited
Tata AIG General Insurance Limited
Tata AIA Life Insurance Co Limited
Taj Air Limited
Infiniti Retail Limited
Tata International Limited
Tata International Singapore PTE Limited
Tata Elxsi Limited
Ewart Investments Limited
Tata Uganda Limited
Tata Industries Limited

Key Managerial Personnel
Mr. Sunil D'Souza - Managing Director & CEO
Mr L Krishnakumar - Executive Director & Group CFO (upto October 31, 2023)
Mr Ajit Krishnakumar - Executive Director (w.e.f November 01, 2023)

Employee Benefit Funds
Tata Tea Limited Management Staff Gratuity Fund
Tata Tea Limited Management Staff Superannuation Fund
Tata Tea Limited Staff Pension Fund
Tata Tea Limited Gratuity Fund
Tata Tea Limited Calcutta Provident Fund
Tata Coffee Staff Provident Fund Trust
Tata Coffee Superannuation Fund
Tata Coffee Group Gratuity Fund

Tata Capital Financial Services Limited (up to December 31, 2023)
Tata Capital Limited
Tata Communications Limited
Tata Housing Development Company Limited
Tata Teleservices Limited
Tata Teleservices Maharastra Limited
Super Market Grocery Supplies Private Limited
Tata Limited
Innovative Retail Concepts Private Limited
Tata 1MG Healthcare Solutions Limited
Tata Medical and Diagnostics Limited
Tata International west Asia DMCC

b) Particulars of transactions during the year ended March 31, 2024:

Rs. in Crores

	2024	2023
Sale of Goods and Services		
- Joint Ventures	43.05	50.22
- Associates	1.72	1.76
- Subsidiaries and Joint Ventures of Promoter	291.21	223.89
Other Operating Income		
- Joint Ventures	33.55	32.62
- Associates	5.68	5.26
Purchase of Goods & Services		
- Associates	179.66	177.78
- Subsidiaries and Joint Ventures of Promoter	76.81	52.75
Rent Paid		
- Associates	1.92	2.05
Other Expenses (Net)		
- Associates	6.91	15.78
- Promoter	37.29	34.30
- Subsidiaries and Joint Ventures of Promoter	94.23	97.76
Directors Remuneration *	15.03	14.37
Dividend Paid		
- Promoter	228.62	163.69
- Subsidiaries and Joint Ventures of Promoter	41.26	29.54
Dividend/Interest Received		
- Joint Ventures	-	10.78
- Associates	1.49	1.87
- Promoter	3.07	1.76
- Subsidiaries and Joint Ventures of Promoter	4.32	5.62
Reimbursement of Expenditure/(Income)		
- Joint Ventures	(0.29)	(0.28)
- Associates	(4.60)	(4.69)
- Promoter	0.24	0.09

Rs. in Crores

	2024	2023
Intercorporate Loan/ Deposits Given		
- Associates	-	4.00
- Subsidiaries and Joint Ventures of Promoter	368.00	215.00
Deposit redeemed		
- Subsidiaries and Joint Ventures of Promoter	383.00	270.00
- Associates	5.00	4.25
Investments Made		
- Joint Ventures	25.00	100.00
- Associates	-	50.00
Contribution to Funds - Employee Benefit Plans	**34.38**	**32.17**

* Provision for employee benefits, which are based on actuarial valuation done on an overall basis, is excluded. The above does not include share of recurring/special benefits payables to former directors.

c) Details of material transactions (i.e exceeding 10% in of total transaction values in respective category) with related party:

Rs. in Crores

	2024	2023
Sale of Goods and Services		
- Joint Ventures		
Tata Starbucks Pvt. Ltd.	43.05	50.22
- Associates		
Amalgamated Plantations Pvt Limited.	1.72	0.89
- Subsidiaries and Joint Ventures of Promoter		
Supermarket Grocery Supplies Private Limited	122.12	93.09
Innovative Retail Concepts Private Limited	168.39	130.31
Other Operating Income		
- Joint Ventures		
Tata Starbucks Pvt. Ltd.	33.55	32.62
- Associates		
Kanan Devan Hills Plantation Company Pvt. Ltd.	5.68	5.26
Purchase of Goods & Services		
- Associates		
Amalgamated Plantations Pvt Ltd.	104.35	102.19
Kanan Devan Hills Plantation Company Pvt. Ltd.	75.31	75.59
- Subsidiaries and Joint Ventures of Promoter		
Tata Uganda Ltd.	76.81	39.51
Rent Paid		
- Associates		
Amalgamated Plantations Pvt Ltd.	1.50	1.44
Kanan Devan Hills Plantation Company Pvt. Ltd.	0.42	0.61
Other Expenses (Net)		
- Associate - Kanan Devan Hills Plantation Company Pvt. Ltd.	6.91	15.78
- Promoter - Tata Sons Private Limited	37.29	34.30
- Subsidiaries and Joint Ventures of Promoter		
Tata Consultancy Services Limited	28.89	30.54
Tata AIG General Insurance Limited	43.21	38.32
Tata Communications Limited	13.28	15.95

Rs. in Crores

	2024	2023
Dividend Paid		
- **Promoter - Tata Sons Private Limited**	228.62	163.69
- **Subsidiaries and Joint Ventures of Promoter**		
Tata Investment Corporation Limited	37.41	26.79
Dividend/Interest Received		
- **Joint Ventures**		
Joekels Tea Packers (Proprietary) Limited	-	10.78
- **Associates**		
Kanan Devan Hills Plantation Company Pvt. Ltd.	1.49	1.87
- **Promoter - Tata Sons Private Limited**	3.07	1.76
- **Subsidiaries and Joint Ventures of Promoter**		
Infiniti Retail Limited	3.60	4.56
Tata Investment Corporation Limited	0.70	-
Reimbursement of Expenditure/(Income)		
- **Associates**		
Amalgamated Plantations Pvt Ltd.	(2.45)	(2.01)
Kanan Devan Hills Plantations Company Pvt. Ltd.	(2.15)	(2.68)
Intercorporate Loan/ Deposits Given		
- **Associates**		
Kanan Devan Hills Plantations Company Pvt. Ltd.	-	4.00
- **Subsidiaries and Joint Ventures of Promoter**		
Infiniti Retail Limited	368.00	215.00
Intercorporate Loan/ Deposit redeemed		
- **Associates**		
Kanan Devan Hills Plantations Company Private Limited	5.00	4.25
- **Subsidiaries and Joint Ventures of Promoter**		
Infiniti Retail Limited	383.00	270.00
Investments Made		
- **Joint Ventures**		
Tata Starbucks Pvt. Ltd.	25.00	100.00
- **Associates**		
Amalgamated Plantations Pvt Ltd.	-	50.00
Contribution to Funds - Employee Benefit Plans		
Tata Tea Limited Calcutta Provident Fund	28.01	22.47
Tata Coffee Limited Employees Gratuity Fund	4.54	4.65

d) Balance Outstanding as at March 31, 2024

Rs. in Crores

	2024	2023
Debit		
- Joint Ventures	16.49	8.15
- Associates	3.88	9.57
- Subsidiaries and Joint Ventures of Promoter	29.35	76.03
- Employee Benefit plans	0.02	-
Credit		
- Associates	5.08	4.50
- Promoter	35.41	32.95
- Subsidiaries and Joint Ventures of Promoter	5.26	10.08
- Employee Benefit plans	0.65	1.49

Notes to Consolidated Financial Statements
for the year ended March 31, 2024

40. BUSINESS COMBINATION

Acquisition of Capital Foods Private Limited

The Parent Company on February 01, 2024 acquired, in all cash deal, 75% equity shares of Capital Foods Private Limited, an Indian Company engaged in in-home food categories under the brand 'Ching's Secret' and 'Smith & Jones'. The balance 25% shareholding will be acquired within the next three years. This acquisition will enable Tata Consumer Products to expand its product portfolio and further strengthen its pantry platform.

The fair value of the assets and liabilities acquired is shown below:

	Rs. in Crores
Brands	3541.60
Property, Plant & Equipment and ROU Asset	188.72
Distribution Network	63.40
Inventory	48.53
Trade and Other receivables	46.43
Other Assets	32.11
Investments and other bank balances	156.86
Cash and Cash equivalent	1.63
Total Assets	**4079.28**
Borrowings and Finance Lease	18.70
Trade and Other Payables	194.18
Deferred Tax	917.57
Total Liabilities	**1130.45**
Total Identified Net Assets at Fair Value	**2948.83**
Goodwill	2226.22
Fair Value of Consideration	**5175.05**

Fair Value of Consideration	Rs. in Crores
Fair value of consideration transferred	3881.25
Fair value of non-controlling interest	1293.80
Total	**5175.05**

Goodwill on the above transaction reflects growth opportunities and synergy benefits which are not separately identifiable. The goodwill and other intangible assets recognised are not depreciable for income tax purposes.

Purchase Commitments of Non Controlling Interest

Tata Consumer Products Limited, the parent company, has entered into an agreement with the non-controlling shareholders (NCI holders) of Capital Foods Private Limited, in relation to their remaining equity investment in Capital Foods Private Limited. In terms of the said agreement, the NCI holders have the option to transfer their entire shareholding to the Parent Company at a valuation determined based on agreed formula on certain operating financial parameters, post Financial Year ending March 31, 2026 and mandatory transfer of NCI shareholding to the Parent Company post Financial Year ending March 31, 2027.

Acquired Receivables

Fair value of trade and other receivables acquired is Rs 46.43 Crores. These amounts are fully collectible.

Impact of above acquisition on the results

The acquired business contributed revenue of Rs 114.47 Crores and Profit before tax of Rs 16.44 Crores, during the post-acquisition period. Acquisition related costs amounting to Rs 17.07 Crores are reported under exceptional item in the Statement of Profit and Loss.

41. The Board of Directors of the Parent Company, in its meeting held on October 31, 2023, has approved the Scheme of Amalgamation of NourishCo Beverages Limited, Tata SmartFoodz Limited and Tata Consumer Soulfull Private Limited (wholly owned subsidiaries) with the Company. The Appointed Date of the Scheme is April 01, 2024. The Scheme is subject to necessary statutory and regulatory approvals, including sanction by the Hon'ble National Company Law Tribunal under Sections 230 and 232 of the Companies Act, 2013.

42. The Parent Company has entered into a share purchase agreement ('SPA') on January 12, 2024 with Fabindia Limited for acquisition of up to 100% stake of Organic India Private Limited (OIPL). The acquisition of 99.99% equity shareholding has been completed on April 16, 2024 at a purchase consideration of Rs 1707.99 Crores subject to adjustment on finalisation of the financials of OIPL.

43. ADDITIONAL REGULATORY INFORMATION

i) Financial Ratios

Ratio	Numerator	Denominator	2024	2023	Change
(a) Current Ratio	Current Assets	Current Liabilities	1.20	2.12	-43%*
(b) Debt-Equity Ratio	Total Debt (Note 1)	Total Equity	0.20	0.09	-113%*
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service (Note 2)	6.87	8.98	-23%
(d) Return on equity ratio	Profit for the year	Average Total Equity	7.03%	7.90%	-87 bps
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	5.56	5.55	0%
(f) Trade receivables turnover ratio	Revenue from Operations	Average Trade Receivable	17.94	16.88	6%
(g) Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	4.63	5.26	12%
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	6.06	3.14	93%@
(i) Net Profit ratio	Profit for the year	Revenue from Operations	7.99%	9.58%	-158 bps
(j) Return on capital employed	EBIT (Note 3)	Capital Employed (Note 4)	43.25%	34.31%	894 bps&
(k) Return on investment	Earnings from invested funds	Average invested funds in treasury investments	6.66%	5.34%	132 bps

* Mainly driven by higher borrowings and utilisation of cash to fund acquisition.

@ Mainly revenue growth and lower working capital driven by lower Cash & Cash equivalents/current investments and higher trade payables.

& Improvement in Return on Capital employed is mainly due to higher operating profits.

Note 1: Debt includes lease liability.

Note 2: Debt service = Interest and Lease payments + Principal Repayments

Note 3: EBIT = Profit before exceptional items and tax + Finance costs - Interest and Investment income

Note 4: Working Capital = Current Assets - (Current Liabilities - Current maturities of long term borrowings and lease liabilities- Commercial papers for acquisition funding)

Note 5: Capital Employed = Tangible Net Worth (including Non current Investments) + Total Debt + Deferred Tax Liabilities+ Purchase commitments for Non-Controlling Interests' shares.

ii) Relationship with Struck off Companies

The Group does not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956, during the current year and in the previous year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024

44. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARY/ASSOCIATES/JOINT VENTURES:

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
	Parent								
	Tata Consumer Products Limited	84.74%	13606.74	85.24%	980.58	27.94%	47.33	77.89%	1027.91
	Subsidiaries								
	Indian								
1	Tata Coffee Limited (Formerly TCPL Beverages & Foods Ltd.)	3.99%	640.21	3.53%	40.55	-2.47%	(4.19)	2.76%	36.36
2	Capital Foods Private Ltd.	1.65%	264.57	1.43%	16.44	-0.05%	(0.08)	1.24%	16.36
3	NourishCo Beverages Ltd.	0.83%	132.47	3.09%	35.51	-0.04%	(0.06)	2.69%	35.45
4	Tata Consumer Soulfull Private Ltd.	0.07%	11.59	-1.63%	(18.71)	0.04%	0.07	-1.41%	(18.64)
5	Tata Smartfoodz Ltd.	1.75%	281.28	-8.62%	(99.21)	0.05%	0.08	-7.51%	(99.13)
6	TRIL Constructions Ltd.	0.90%	144.38	-0.07%	(0.79)	-	-	-0.06%	(0.79)
7	Tata Tea Holdings Private Ltd.	0.00%	(0.03)	0.00%	(0.01)	-	-	0.00%	(0.01)
	Foreign								
1	Consolidated Coffee Inc. (Consolidated Financials)	7.88%	1265.36	8.57%	98.63	17.87%	30.27	9.77%	128.90
2	Tata Coffee Vietnam Company Ltd.	1.37%	220.75	5.17%	59.52	-0.40%	(0.67)	4.46%	58.85
3	Tata Tea Extractions Inc.*	4.41%	708.03	22.12%	254.44	-	-	19.28%	254.44
4	Tata Consumer Products Capital Ltd	5.95%	955.83	3.05%	35.04	-	-	2.66%	35.04
5	Tata Consumer Products UK Group Ltd.	35.10%	5636.50	9.08%	104.49	0.51%	0.86	7.98%	105.35
6	Tata Global Beverages Holdings Ltd. (Dormant)	-	-	-	-	-	-	-	-
7	Tata Global Beverages Services Ltd. (Dormant)	-	-	-	-	-	-	-	-
8	Tata Consumer Products GB Ltd.	16.83%	2702.78	12.86%	147.92	-26.02%	(44.07)	7.87%	103.85
9	Tata Consumer Products Overseas Holdings Ltd.	-0.84%	(135.10)	-1.90%	(21.85)	-	-	-1.66%	(21.85)
10	Tata Global Beverages Overseas Ltd.	0.13%	21.41	-	-	-	-	-	-
11	Lyons Tetley Ltd. (Dormant)	0.00%	0.21	-	-	-	-	-	-
12	Drassington Ltd. (Dormant)	-	-	-	-	-	-	-	-
13	Teapigs Ltd.	0.69%	110.41	0.20%	2.30	-	-	0.17%	2.30
14	Teapigs US LLC	-0.08%	(13.26)	-0.29%	(3.30)	-	-	-0.25%	(3.30)
15	Tata Waters LLC	0.05%	8.06	-0.21%	(2.47)	-	-	-0.19%	(2.47)
16	Stansand Ltd. (Dormant)	0.00%	0.05	-	-	-	-	-	-
17	Stansand (Brokers) Ltd. (Dormant)	0.00%	0.33	-	-	-	-	-	-
18	Stansand (Africa) Ltd. (Dormant)	0.12%	18.62	0.29%	3.31	-	-	0.25%	3.31

Sl No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs in Crores)	As a % of Consolidated Profit or Loss	Amount (Rs in Crores)	As a % of Consolidated OCI	Amount (Rs in Crores)	As a % of Total Comprehensive Income	Amount (Rs in Crores)
19	Stansand (Central Africa) Ltd.	0.05%	7.32	0.11%	1.32	-	-	0.10%	1.32
20	Tata Consumer Products Polska sp.zo.o	0.11%	17.10	0.11%	1.25	-	-	0.09%	1.25
21	Tata Consumer Products US Holdings Inc.	-0.80%	(128.80)	2.06%	23.70	-	-	1.80%	23.70
22	Tata Consumer Products US Inc. (Formerly Tetley USA Inc.)	2.19%	350.85	4.74%	54.55	-	-	4.13%	54.55
23	Good Earth Corporation.	0.00%	0.58	-0.02%	(0.18)	-	-	-0.01%	(0.18)
24	Good Earth Teas Inc.	0.13%	21.15	-1.05%	(12.05)	-	-	-0.91%	(12.05)
25	Tata Consumer Products Canada Inc.	0.19%	29.82	0.74%	8.48	-	-	0.64%	8.48
26	Tata Consumer Products Australia Pty Ltd.	0.44%	69.93	3.34%	38.41	-	-	2.91%	38.41
27	Joekels Tea Packers (Proprietary) Ltd.	0.39%	62.25	2.06%	23.74	-	-	1.80%	23.74
28	Tata Consumer Products Bangladesh Ltd. [Formerly Tetley ACI (Bangladesh) Ltd.]	-0.07%	(10.89)	-0.54%	(6.22)	-	-	-0.47%	(6.22)
29	Tata Global Beverages Investments Ltd. (Dormant)	-	-	-	-	-	-	-	-
30	Suntyco Holding Ltd.	-	-	-	-	-	-	-	-
31	Onomento Co Ltd.	0.10%	16.49	0.04%	0.41	-	-	0.03%	0.41
	Non-controlling Interest in all Subsidiaries	-8.59%	(1379.34)	-5.66%	(65.07)	-3.02%	(5.11)	-5.32%	(70.18)
	Associates								
	Indian								
1	Amalgamated Plantations Pvt. Ltd.	-0.18%	(29.01)	-3.91%	(45.02)	1.07%	1.81	-3.27%	(43.21)
2	Kanan Devan Hills Plantations Co. Pvt. Ltd.	0.20%	32.13	0.02%	0.25	0.29%	0.49	0.06%	0.74
	Joint Ventures								
	Indian								
1	Tata Starbucks Private Ltd.	1.60%	257.54	-3.56%	(40.92)	-0.10%	(0.17)	-3.11%	(41.09)
	Foreign								
1	Tetley Clover (Pvt) Ltd. (under liquidation)	0.00%	0.06	0.00%	-	-	-	-	-
	Consolidation eliminations/ adjustments	-61.29%	(9841.58)	-40.40%	(464.71)	84.32%	142.81	-24.39%	(321.90)
	Total	**100%**	**16056.79**	**100%**	**1150.33**	**100%**	**169.37**	**100%**	**1319.70**

*Profit for the year includes a gain of Rs.253.26 Crores (net of tax – Rs.225.26 Crores) arising out of selective buyback of 10.6% equity held in Tata Consumer products UK Group Ltd, which was eliminated through consolidation eliminations/adjustments and has no impact on these consolidated financial statements.

45. Unless otherwise stated, figures in brackets relate to the previous year. Previous year's figures have been regrouped / rearranged, to the extent necessary, to conform to current year's classifications. All the numbers have been rounded off to nearest crore.

Form AOC 1

Statement containing salient features of the financial statement of subsidiaries / associates / joint ventures [Pursuant to Section 129(3) of the Companies Act, 2013].

PART "A" : SUBSIDIARIES

SL No	Name of the Subsidiary	Date of acquisition/ incorporation	Reporting Currency	Exchange rate as on last day of relevant financial year (Refer Note 3)	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding (Refer Note 2)	Average yearly rates for P&L items translation
				Rs	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	%	Rs
1	Tata Consumer Products Capital Ltd.	12.09.2006	GBP	105.11	941.83	14.00	1802.77	846.94	1750.05	-	17.49	15.93	33.42	-	100.00	103.73
2	Tata Consumer Products UK Group Ltd.	03.09.1999	GBP	105.11	2208.73	3421.41	7246.92	1616.78	5335.84	-	122.40	(24.53)	97.87	-	100.00	103.73
3	Tata Global Beverages Holdings Ltd. (Dormant)	10.03.2000	GBP	105.11	-	-	-	-	-	-	-	-	-	-	100.00	103.73
4	Tata Global Beverages Services Ltd. (Dormant)	10.03.2000	GBP	105.11	-	-	-	-	-	-	-	-	-	-	100.00	103.73
5	Tata Consumer Products GB Ltd.	10.03.2000	GBP	105.11	-	2702.86	3409.15	706.29	10.51	1688.63	199.72	(51.12)	148.60	-	100.00	103.73
6	Tata Consumer Products Overseas Holdings Ltd.	10.03.2000	GBP	105.11	-	(135.07)	744.90	879.97	202.79	-	(29.07)	7.22	(21.85)	-	100.00	103.73
7	Tata Global Beverages Overseas Ltd. (Dormant)	10.03.2000	GBP	105.11	-	-	-	-	-	-	-	-	-	-	100.00	103.73
8	Lyons Tetley Limted (Dormant)	10.03.2000	GBP	105.11	0.21	-	0.21	-	-	-	-	-	-	-	100.00	103.73
9	Drassington Ltd. (Dormant)	31.10.2003	GBP	105.11	20.56	(20.56)	-	-	-	-	-	-	-	-	100.00	103.73
10	Teapigs Ltd.	15.04.2005	GBP	105.11	10.51	99.88	128.67	18.28	-	0.30	3.19	(0.95)	2.24	-	100.00	103.73
11	Teapigs US LLC	27.08.2013	USD	83.37	0.00	(13.26)	-	13.26	-	(2.86)	(3.30)	-	(3.30)	-	100.00	82.70
12	Stansand Ltd. (Dormant)	10.03.2000	GBP	105.11	0.05	-	0.05	-	-	-	-	-	-	-	100.00	103.73
13	Stansand Brokers Ltd. (Dormant)	10.03.2000	GBP	105.11	0.33	-	0.33	-	-	-	-	-	-	-	100.00	103.73
14	Stansand (Africa) Ltd.	10.03.2000	KES	0.64	0.03	19.81	40.37	20.53	-	121.82	4.68	(1.51)	3.17	-	100.00	0.57
15	Stansand (Central Africa) Ltd.	10.03.2000	MWK	0.05	0.00	2.57	3.57	1.00	-	11.19	1.88	(0.56)	1.32	-	100.00	0.07
16	Tata Consumer Products Polska.sp.zo.o	10.03.2000	PLN	20.83	153.84	(136.78)	31.68	14.62	-	46.60	1.46	(0.32)	1.14	-	100.00	20.12
17	Tata Consumer Products US Holdings Inc.	10.03.2000	USD	83.37	558.57	(687.37)	372.13	500.93	312.40	-	(10.86)	34.50	23.64	-	100.00	82.70
18	Tata Consumer Products US Inc. (Formerly Tetley USA Inc.)	10.03.2000	USD	83.37	1137.97	(787.12)	479.75	128.90	-	147.13	(10.74)	65.20	54.46	-	100.00	82.70
19	Tata Waters LLC	18.08.2016	USD	83.37	-	8.06	11.49	3.43	-	0.65	(2.49)	-	(2.49)	-	100.00	82.70
20	Good Earth Corporation	13.10.2005	USD	83.37	-	0.58	0.64	0.06	-	-	(0.18)	-	(0.18)	-	100.00	82.70
21	Good Earth Teas Inc.	13.10.2005	USD	83.37	309.20	(288.05)	27.29	6.14	-	45.32	(11.90)	(0.17)	(12.07)	-	100.00	82.70
22	Tata Consumer Products Canada Inc.	10.03.2000	CAD	61.31	9.20	19.67	176.35	147.48	-	425.57	11.50	(3.03)	8.47	-	100.00	61.27

Form AOC 1

Statement containing salient features of the financial statement of subsidiaries / associates / joint ventures [Pursuant to Section 129(3) of the Companies Act, 2013].

SL No	Name of the Subsidiary	Date of acquisition/ incorporation	Reporting Currency	Exchange rate as on last day of relevant financial year (Refer Note 3)	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding (Refer Note 2)	Average yearly rates for P&L items translation
				Rs	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	%	Rs
23	Tata Consumer Products Australia Pty. Ltd.	10.03.2000	AUD	54.16	63.91	6.76	97.02	26.35	-	83.59	6.03	32.08	38.11	-	100.00	54.38
24	Joekels Tea Packers (Proprietary) Ltd.	28.12.2022	ZAR	4.37	0.00	62.25	95.29	33.04	-	202.27	32.53	(8.73)	23.80	-	75.00	4.43
25	Tata Consumer Products Bangladesh Ltd. [FormerlyTetley ACI (Bangladesh) Ltd.]	09.02.2023	BDT	0.76	49.32	(54.44)	6.65	11.770	-	25.37	(0.55)	(0.17)	(0.72)	-	100.00	1.00
26	Tata Global Beverages Investment Ltd. (Dormant)	12.09.2006	GBP	105.11	-	-	-	-	-	-	-	-	-	-	100.00	103.73
27	Suntyco Holdings Ltd.	01.09.2009	USD	83.37	0.58	(0.58)	-	-	-	-	-	-	-	-	100.00	82.70
28	Onomento Co Ltd.	01.09.2009	USD	83.37	0.00	16.36	16.54	0.18	-	-	1.36	(0.12)	1.24	-	100.00	82.70
29	Tata Coffee Ltd (formerly TCPL Beverages & Foods Ltd)	25.02.2022	INR	1.00	0.05	640.16	844.03	203.82	0.00	487.31	45.18	(4.63)	40.55		100.00	1.00
30	Tata Coffee Vietnam Company Ltd.	28.03.2017	USD	83.37	166.73	52.75	578.03	358.55	-	390.53	68.12	(8.79)	59.33	-	100.00	82.70
31	Consolidated Coffee Inc.	10.07.2006	USD	83.37	499.36	4.51	503.87	-	499.36	-	3.22	-	3.22	-	100.00	82.70
32	Eight O'Clock Holdings Inc.	26.02.2009	USD	83.37	499.36	0.35	499.71	-	499.36	-	4.14	-	4.14	-	100.00	82.70
33	Eight O'Clock Coffee Company	31.07.2006	USD	83.37	499.36	761.15	2014.64	754.13	-	1459.29	126.86	(28.03)	98.83	-	100.00	82.70
34	Tata Tea Extractions Inc. (Refer Note 6)	29.05.1987	USD	83.37	116.71	591.30	737.65	29.64	0.00	134.93	289.83	(36.03)	253.80	-	100.00	82.70
35	NourishCo Beverages Ltd.	18.05.2020	INR	1.00	213.00	(80.53)	238.69	106.22	0.35	825.35	48.34	(12.24)	36.10	-	100.00	1.00
36	Tata Consumer Soulfull Private Ltd.	17.02.2021	INR	1.00	0.93	10.66	75.23	63.64	-	95.02	(18.71)	-	(18.71)	-	100.00	1.00
37	Tata SmartFoodz Ltd.	16.11.2021	INR	1.00	659.50	(378.30)	311.34	30.14	31.53	68.02	(99.29)	-	(99.29)	-	100.00	1.00
38	TRIL Constructions Ltd.	17.11.2021	INR	1.00	36.15	108.23	218.20	73.82	-	-	(0.79)	-	(0.79)	-	80.46	1.00
39	Tata Tea Holdings Private Ltd.	19.03.2009	INR	1.00	0.05	(0.08)	0.01	0.04	-	-	(0.01)	-	(0.01)	-	100.00	1.00
40	Capital Foods Private Limited.	01.02.2024	INR	1.00	3.49	261.08	384.61	120.04	-	677.43	57.53	(17.10)	40.43	-	75.00	1.00

Note:

1 Statutory year ends for all subsidiaries are 31.03.2024 except for Tetley ACI (Bangladesh) Ltd - 30.06.2023

2 % of shareholding is based on voting power held by the Group.

3 Balance Sheet items have been translated at the exchange rate as on the last day of relevant financial year.

4 The numbers reported above are based on individual annual financial statements prepared under local GAAP.

5 During the year, Earth Rules Pty Ltd, Kahuthra Holdings and Campestres Holdings Ltd are dissolved/ deregistered. Hence these entities not included in above list.

6 Profit for the year includes a gain of Rs.253.26 Crores (net of tax – Rs.225.26 Crores) arising out of selective buyback of 10.6% equity held in Tata Consumer products UK Group Ltd, which was eliminated through consolidation eliminations/adjustments and has no impact on these consolidated financial statements.

Statement pursuant to Section 129 (3) of the Companies Act,2013 related to Associate Companies and Joint Ventures

PART "B" : ASSOCIATES AND JOINT VENTURES

Sl No.	Name of Associates/ Joint Ventures	Amalgamated Plantation Pvt. Ltd.	Kanan Devan Hill Plantation Company Pvt. Ltd.	Tetley Clover (Pvt.) Ltd.^	Tata Starbucks Private Ltd.
		Associate	Associate	Joint Venture	Joint Venture
1	Latest audited Balance Sheet Date	31.03.2024	31.03.2024	28.02.2019	31.03.2024
2	Date of acquisition/ incorporation	17.04.2009	06.07.2005	25.07.2003	03.01.2012
3	Shares of Associate /Joint Ventures held by the company on the year-end				
	Equity Shares				
	i) Number	61024400	3976563	44000000	597300000
	ii) Amount of Investment in Associates/Joint Venture (Rs. in Crores)	82.08#	12.33	30.98	597.30
	iii) Extent of Holdings	41.03%	28.52%	50%	50%
	Preference Shares				
	i) Number	267000000	-	3000000	-
	ii) Amount of Investment in Associates/Joint Venture (Rs. in Crores)	194.72@	-	2.59	-
4	Description of how there is significant influence	Shareholding	Shareholding	Joint Venture Agreement	Joint Venture Agreement
5	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in Crores)	(29.01)	32.13	0.07	258.47
7	Profit / (Loss) for the year*				
	i) Considered in Consolidated** (Rs in Crores)	(45.02)	0.25	-	(39.99)
	ii) Not Considered in Consolidated (Rs in Crores)	-	-	-	-

Associate Companies and Joint Ventures have been determined based on the Accounting Standards.

* Profit/(Loss) based on individual Financial Statements drawn up as at 31.03.2024, for consolidation purposes.

** Represents Group's share of profit/(loss)

measured as per Ind AS

@ redeemable preference shares, measured as per Ind AS

^ Under liquidation

For and on behalf of the Board

N.Chandrasekaran
Chairman
(DIN 00121863)

K.P. Krishnan
Director
(DIN 01099097)

Sunil D'Souza
Managing Director & CEO
(DIN 07194259)

Ajit Krishnakumar
Executive Director & COO
(DIN 08002754)

Sivakumar Sivasankaran
Chief Financial Officer

Mumbai, April 23, 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of Capital Foods Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Capital Foods Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material 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 financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

- Our opinion on the 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 financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial 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 system 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.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Reporting on comparatives in case the previous year was audited by the predecessor auditor

The financial statements of the Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on August 28, 2023.

Our opinion on the financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India (refer Note 54 to the financial statements) and not complying with the requirement of audit trail as stated in (i)(vi) below (refer Note 55 to the financial statements).

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid 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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the period in which provisions of section 197 of the Act was applicable to the Company.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

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

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

   iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person(s) or entity(ies), 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 on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), 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 on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures that has 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility except that audit trail feature was not enabled (i) at the database level for SAP (database MSSQL) to log any direct data changes, (ii) for price master and discount master records.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B", a Statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Mukesh Jain
Partner
(Membership No. 108262)
(UDIN: 24108262BKEWZH1739)

Place: Mumbai
Date: April 18, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls with reference to financial statements of **Capital Foods Private Limited** (the "Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Mukesh Jain
Partner
(Membership No. 108262)
(UDIN: 24108262BKEWZH1739)

Place: Mumbai
Date: April 18, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect to the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-to-use assets.

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

(b) The Company has a program of verification of property, plant and equipment and capital work in progress so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year certain Property, Plant and Equipment and capital work in progress were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed provided to us, we report that the title deeds of all the immovable properties (other than properties where the Company is the lessee and lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the Balance Sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

(a) The inventories, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, statements on ageing analysis of the debtors and creditors, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) During the year loans or advances in the nature of loans aggregating to Rs. 183.28 lakhs fell due from a party and were renewed aggregating to Rs. 183.28 lakhs to settle the overdues of existing loans. The details of such loans that fell due and those granted during the year are stated below:

Name of the Party	**Due Date**	**Renewed during the period* (Amount in Rs. Lakhs)**	**Renewed Due Date**	**Percentage of the aggregate to the total loans or advances in the nature of loans renewed during the year**
In & Out Advertising Pvt. Ltd.	30-Jun-23	62.03	30-Sep-23	100%
	30-Sep-23	39.21	31-Dec-23	100%
	31-Dec-23	40.41	31-Mar-24	100%
	31-Mar-24	41.63	30-Jun-24	100%

*Includes unpaid interest capitalised amounting to Rs. 4.47 lakhs. The same loan with the same party has been renewed multiple times during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. lakhs)*	Amount Unpaid (Rs. lakhs)
The Gujarat Value Added Tax Act, 2003	VAT	Deputy Commissioner - Commercial Tax	2010-11	466.41	401.41
The Central Sales Tax Act, 1956	CST	Deputy Commissioner - Commercial Tax	2010-11	2,542.24	1,523.78
The Central Sales Tax Act, 1956	CST	Tribunal	2013-14	15.27	15.27
Income Tax Act, 1956	Income Tax	High Court	2007-08	28.21	14.71
Total				**3,052.13**	**1,955.17**

*Including penalty and interest

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

(a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company does not have any investment in subsidiary or joint venture or associate companies and therefore the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies and hence reporting on clause (ix)(f) of the Order is not applicable.

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence the provisions of Clause 3(x)(b) of the Order is not applicable.

(xi)

(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv)

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with it's directors and hence provisions of section 192 of the Act are not applicable.

(xvi)

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) There are five Core investment Companies ("CIC") in the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) that are registered with the Reserve Bank of India ("RBI") and two CICs which are not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 which is not mitigated indicating 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 Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(xxi) The Company does not have any investment in subsidiary, joint venture and associate and hence the Company is not required to prepare consolidated financial statements. Therefore, reporting under clause 3(xxi) of the Order is not applicable.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Mukesh Jain
Partner
(Membership No. 108262)
(UDIN: 24108262BKEWZH1739)

Place: Mumbai
Date: April 18, 2024

M/S CAPITAL FOODS PRIVATE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2024

Villa Capital, Sadhana Compound,
S.V. Road, Jogeshwari West,
Mumbai-400 102 (India)
Tel: 022 68822444

Capital Foods Private Limited
Balance Sheet as at 31st March 2024
(All amounts in Rs. lakhs, unless stated otherwise)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,511.18	14,239.33
Intangible assets	3	22.91	39.91
Capital work-in-progress	3	2,168.74	2,120.80
Right-of-use assets	4	2,764.29	3,269.03
Financial assets			
(i) Investments	5	-	0.50
(ii) Other financial assets	6	175.24	227.92
Income tax assets (net)	7	1,742.39	575.85
Other non-current assets	8	1,593.34	1,605.52
Total non-current assets		**21,978.09**	**22,078.86**
Current assets			
Inventories	9	3,360.41	3,426.53
Financial assets			
(i) Investments	10	8,353.13	15,949.63
(ii) Trade receivables	11	3,388.40	2,511.79
(iii) Cash and cash equivalents	12	360.46	196.43
(iv) Bank balances other than (iii) above	13	178.05	167.55
(v) Loans	14	41.63	77.96
(vi) Other financial assets	15	39.95	7.57
Other current assets	16	760.82	900.83
Total current assets		**16,482.85**	**23,238.29**
Total assets		**38,460.94**	**45,317.15**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	349.44	349.96
Instruments entirely equity in nature	18	-	-
Other equity	19	26,107.62	30,800.76
Total equity		**26,457.06**	**31,150.72**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	512.53	1,263.18
(ii) Lease Liabilities		75.06	421.31
(iii) Other financial liabilities	21	0.50	3.50
Provisions	22	217.06	170.81
Deferred tax Liabilities (net)	23	955.45	1,154.37
Total non-current liabilities		**1,760.60**	**3,013.17**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	768.79	757.91
(ii) Lease Liabilities		238.72	383.46
(iii) Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises		283.67	394.87
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,775.80	7,526.52
(iv) Other financial liabilities	26	2,898.24	873.60
Provisions	27	161.25	59.32
Current tax liabilities (net)	28	-	383.46
Other current liabilities	29	1,116.81	774.12
Total current liabilities		**10,243.28**	**11,153.26**
Total liabilities		**12,003.88**	**14,166.43**
Total equity and liabilities		**38,460.94**	**45,317.15**

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.117366W/W-100018

For and on behalf of Board of Directors

Mukesh Jain
Partner
Membership No: 108262
Place: Mumbai
Date: April 18, 2024

Sunil D'Souza
Director
DIN : 07194259
Place: Mumbai
Date: April 18, 2024

Abhijit Midha
Director
DIN : 10481897
Place: Mumbai
Date: April 18, 2024

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: April 18, 2024

Capital Foods Private Limited
Statement of Profit and Loss for the year ended 31st March 2024
(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note	Year ended 31st March 2024	Year ended 31st March 2023
I.	Revenue from operations	30	67,742.87	70,554.70
II.	Other income	31	1,524.90	869.97
III.	**Total Revenue (I + II)**		**69,267.77**	**71,424.67**
IV.	**Expenses:**			
	Cost of materials consumed	32	30,377.75	33,855.66
	Purchase of Stock in Trade		477.84	127.10
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	462.38	7.84
	Employee benefits expense	34	10,970.28	6,436.30
	Finance costs	35	81.54	131.30
	Depreciation and amortization expense	3 & 4	1,394.76	1,469.48
	Other expenses	36	19,750.39	19,251.16
	Total expenses (IV)		**63,514.94**	**61,278.84**
V.	**Profit before tax (III - IV)**		**5,752.83**	**10,145.83**
VI.	**Tax Expenses:-**			
	Current tax	37	1,982.98	2,206.61
	Earlier year tax	37	(76.69)	(2.55)
	Deferred tax	23 & 37	(196.19)	433.94
	Total tax expense / (credit) (VI)		**1,710.10**	**2,638.00**
VII.	**Profit for the year (V-VI)**		**4,042.73**	**7,507.83**
VIII.	**Other Comprehensive Income**			
	Items that will not be reclassified to the statement of profit or loss			
	Gain/(Loss) on remeasurement of the defined benefit plans		(10.85)	64.58
	Income tax on above		2.73	(16.25)
	Total Other Comprehensive Income for the year (VIII)		**(8.12)**	**48.33**
IX.	**Total Comprehensive Income for the year (VII+VIII)**		**4,034.61**	**7,556.16**
	Earnings per equity share [Nominal value per share: Rs. 10 (31st March 2023: Rs. 10)]	50		
	Basic (In Rs.)		115.56	214.64
	Diluted (In Rs.)		115.56	211.41

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.117366W/W-100018

For and on behalf of Board of Directors

Mukesh Jain
Partner
Membership No: 108262
Place: Mumbai
Date: April 18, 2024

Sunil D'Souza
Director
DIN : 07194259
Place: Mumbai
Date: April 18, 2024

Abhijit Midha
Director
DIN : 10481897
Place: Mumbai
Date: April 18, 2024

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: April 18, 2024

Capital Foods Private Limited
Cash Flow Statement for the year ended 31st March 2024
(All amounts in Rs lakhs, unless stated otherwise)

	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	**5,752.83**	**10,145.83**
	Adjustment for :		
	Depreciation and amortization expense	1,394.76	1,469.48
	Employee share-based payment expense	772.28	308.45
	Provision/ (reversal of provision) for doubtful debts	(9.10)	(40.38)
	Loss on disposal of assets (Net)	115.94	232.33
	Net gain on derecognition/modification of Right of use asset	(11.95)	(123.61)
	Net gain arising on financial assets measured at fair value through profit or loss	(285.20)	(533.12)
	Net gain on sale of Investments	(990.93)	(144.57)
	Finance Cost	81.54	131.30
	Interest income	(38.98)	(27.10)
	Unwinding of discount on security deposits	(5.00)	(5.08)
	Effect of exchange rate changes (Net)	23.43	211.80
	Operating Profit before working capital changes	**6,799.62**	**11,625.33**
	Changes in Working Capital :		
	Decrease/ (increase) in Inventories	66.12	452.63
	(Increase) /decrease in Trade Receivables	(867.51)	(1,136.38)
	Decrease/ (increase) in Loans and Advances	17.75	(12.59)
	Decrease/ (increase) in other financial assets	26.38	89.46
	Decrease/ (increase) in other assets	143.19	893.74
	Increase / (decrease) in Provisions	137.33	41.57
	Increase / (decrease) in Trade Payables	(2,861.92)	(1,222.70)
	Increase / (decrease) in Other financial liabilities	1,853.06	(16.52)
	Increase / (decrease) in other liabilities	342.69	(109.71)
	Changes in working capital	**(1,142.91)**	**(1,020.50)**
	Cash generated from Operations	**5,656.71**	**10,604.83**
	Direct taxes paid (net)	(1,570.18)	(1,833.25)
	Net cash generated from operating activities (A)	**4,086.53**	**8,771.58**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, plant and equipment (including capital work- in- progress)	(462.71)	(985.75)
	Proceeds from sale of Property, plant and equipment and intangible assets	42.74	90.00
	Purchase of investments	(14,500.00)	(8,350.09)
	Sale of investments	23,372.64	2,401.47
	(Investment) /Proceeds in bank deposits (Net)	(10.50)	(72.16)
	Inter corporate deposits matured	24.50	107.22
	Interest received	33.06	13.90
	Net cash from/(used) in investing activities (B)	**8,499.73**	**(6,795.41)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issue of equity shares	-	0.52
	Premium received on issue of equity shares	-	499.52
	Buy back of equity shares	(674.18)	-
	Tax on buy back of equity shares	(40.57)	-
	Payment of ESOP	(10,496.60)	-
	Repayments of long term borrowings	(763.19)	(739.08)
	Short term borrowing taken	-	4,314.78
	Short term borrowing paid	-	(5,396.88)
	Payment of lease liabilities	(364.91)	(421.11)
	Finance costs	(82.78)	(132.20)
	Net cash used in financing activities (C)	**(12,422.23)**	**(1,874.45)**
	Net increase in cash and cash equivalents (A+B+C)	**164.03**	**101.72**
	Cash and cash equivalents at the beginning of the period (Refer Note 12)	**196.43**	**94.71**
	Cash and cash equivalents at the end of the period (Refer Note 12)	**360.46**	**196.43**

Capital Foods Private Limited
Cash Flow Statement for the year ended 31st March 2024
(All amounts in Rs lakhs, unless stated otherwise)

Notes

A) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

B) Change in financial liability arising from financing activities :-

Particulars	Year ended 31st March 2024 #	Year ended 31st March 2023 #
Borrowings :-		
Opening balance	2,021.09	3,630.46
Changes from financing cash flows	(763.19)	(1,821.18)
Other changes	23.42	211.81
Closing balance	**1,281.32**	**2,021.09**

For movement of lease liabilities, Refer Note 46.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.117366W/W-100018

Mukesh Jain
Partner
Membership No: 108262
Place: Mumbai
Date: April 18, 2024

For and on behalf of Board of Directors

Sunil D'Souza
Director
DIN : 07194259
Place: Mumbai
Date: April 18, 2024

Abhijit Midha
Director
DIN : 10481897
Place: Mumbai
Date: April 18, 2024

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: April 18, 2024

1 General information

The Company was incorporated on September 9, 2003 as Capital Foods Private Limited (CFPL) with its registered office in Mumbai (Oshiwara, Jogeshwari). Capital Foods Private Limited belongs to the FMCG sector and is engaged in processed food manufacturing business. Head Office of the company is located in Mumbai. The manufacturing plants are located at Kandla, Nahuli and Nashik. The Company has become a subsidiary of Tata Consumer Products Limited w.e.f. 1st February, 2024.

2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

The Company has prepared financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets that is measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments measured at fair value.

(iii) New and amended standards adopted

The Ministry of Corporate Affairs had vide notification dated 31st March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain accounting standards and are effective 1st April, 2023. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policies complies with the now mandatory treatment.

(iv) Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Revenue Recognition:

(i) Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.
In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Performance Obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Contract balances

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

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.

If the goods provided by the Company exceed the payments from customers, a contract asset is recognised. If the payments received exceed the goods provided, a contract liability is recognised (which we refer to as deferred revenue). The Company presents revenue net of Goods and Services Tax (GST) and trade discounts in its Statement of Profit and loss.

Income from duty drawback and premium of sale of import licences is recognised on an accrual basis.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

c) Property, Plant and Equipment

(i) Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

(ii) Depreciation method, estimated useful lives and residual value

Depreciation is provided on straight line method to allocate the cost of the assets, net of their residual values, over the estimated useful life of each asset. Assets are depreciated as per useful life specified in Part C of the Schedule II of the Act. The useful lives of the assets have been determined based on technical evaluation done by the management's expert and the following asset has a different useful life than prescribed by Schedule II of the Act taking into account the nature of assets, their estimated period of use and the operating conditions.

Asset	Useful life
Office Building	30 years

Leasehold improvements are amortised over the primary lease period.

The useful lives for the assets are in line with the useful lives indicated under Schedule II to the Companies Act, 2013. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. Net gains and losses are included in the statement of profit and loss within other income/ other expenses.

d) Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of intangible asset comprises its purchase price, other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on intangible asset after its purchase is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The cost of intangible assets is amortised on a straight line basis over its useful life of 3 years as estimated by the Management.

e) Impairment of Non - financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets under development are tested for impairment on an annual basis. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash in flows from other assets or Companys of assets (cash-generating units). Non- financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

f) Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

g) Investments and Other Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial asset.

(iii) Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in statement of profit and loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognised under other income/ other expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss.

(iv) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The credit loss is difference between all contractual cashflows that are due to an entity in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.

For trade receivables, the company applies the simplified approach permitted by IndAS 109 “Financial Instruments”, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The losses arising from impairment are recognized in the Statement of Profit and Loss.

(v) Derecognition of financial assets

A financial asset is derecognized only when
- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cashflows of the financial asset, but assumes a contractual obligation to pay the cashflows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.
Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest Income

Interest income from a financial asset at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using effective interest method and is recognised in statement of profit and loss as part of other income.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial asset the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

h) Financial liabilities

(i) Classification as liability or equity

Financial liability and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Initial Recognition and Measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

(iii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

(iv) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

i) Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

j) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

k) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the Company's functional and presentation currency.

(ii) Transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.
Foreign exchange differences arising on foreign currency transactions are presented in the statement of profit and loss.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at FVOCI are recognised in other comprehensive income.

l) Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

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 tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The company measures its tax balances for uncertain tax positions either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and for unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously within the same jurisdiction.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to item recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

n) Employee Benefits

(i) Short-term employee benefits

Liabilities for wages and salaries and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations for earned leave are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Gratuity obligations (Defined Benefit Plan)

The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(iv) Defined contribution plans

The Company pays provident fund and pension contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a reduction in the future payments is available.

(v) Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:
a) including any market performance conditions
b) excluding the impact of any service and non-market performance vesting conditions
c) including the impact of any non-vesting conditions

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of ESOP that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in Statement of profit and loss, with a corresponding adjustment to equity.

o) Cash Flow Statement

Cashflows from operating activities are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cashflows. The cashflows from operating, investing and financing activities of the Company are segregated.

p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

q) Leases

As a lessee

The Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
a) fixed payments
b) amount expected to be payable under residual value guarantees
c) the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option
d) payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally, the case for lessees, the lessee's incremental borrowing rate used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

a) where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

b) uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
c) makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged in the Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

Right of use assets are measured at cost comprising the following:

a) the amount of the initial measurement of lease liability
b) any lease payments made at or before the commencement date,
c) any initial direct costs, and
d) restoration cost

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company recognizes the amount of re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

Payments associated with short term leases and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases where the lease term is 12 months or less.

r) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

s) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value. The Company holds trade receivable with the objective to collect contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is conditional only upon passage of time. Revenue in excess of billings is recorded as unbilled revenue and is classified as a financial asset as only the passage of time is required before the payment is due. Invoicing in excess of earnings are classified as contract liabilities which is disclosed as deferred revenue. Trade receivables and unbilled revenue are presented net of impairment in the Balance Sheet.

t) Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

u) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss under other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period. Where there is a breach of material provision of a long term loan arrangement on or before the date of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before approval of the financial statements for issue, not to demand payment as a consequence of the breach.

v) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

w) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

x) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two decimals as per the requirement of Schedule III, unless otherwise stated.

y) Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgments are:

(i) Defined benefit obligations - Refer Note No. 2(n)
(ii) Fair value measurement of financial instruments - Refer Note No. 2(g)
(iii) Income taxes - Refer Note No. 2(m)
(iv) Share-based payment transactions - Refer Note No. 2(n)
(v) Right-of-use assets and lease liability - Refer Note No. 2(q)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2024
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

Sr. No.	Asset Group	Gross Block					Accumulated Depreciation					Net Block
		Balance as at 01st April 2023	Additions	Disposals	Adjustment/ Transfer	Balance as at 31st March 2024	Balance as at 01st April 2023	Depreciation / Amortization charge for the year	On disposals	Adjustment/ Transfer	Balance as at 31st March 2024	Balance as at 31st March 2024
(i)	Property plant and equipment (At cost or deemed cost)											
	Buildings	6,086.65	18.09	(27.94)	-	6,076.80	449.45	213.60	(6.74)	-	656.31	5,420.49
	Land - Freehold	828.10	-		-	828.10	-	-	-	-	-	828.10
	Plant and Equipment	8,255.02	376.07	(157.77)	-	8,473.32	1,585.86	586.23	(47.76)	-	2,124.33	6,348.99
	Vehicles	165.35	-	-	-	165.35	68.25	25.99	-	-	94.24	71.11
	Office equipment	201.15	6.10	(15.59)	-	191.66	82.75	35.52	(11.28)	-	106.99	84.67
	Computers	141.86	9.44	(20.41)	-	130.89	104.62	21.15	(17.13)	-	108.64	22.25
	Furniture and Fixtures	262.21	2.90	(8.77)	-	256.34	61.70	27.52	(3.63)	-	85.59	170.75
	Electrical Installation	817.78	-	(15.13)	-	802.65	166.16	79.62	(7.95)	-	237.83	564.82
	Total	**16,758.12**	**412.60**	**(245.61)**	**-**	**16,925.11**	**2,518.79**	**989.63**	**(94.49)**	**-**	**3,413.93**	**13,511.18**
(ii)	Intangible Assets (At cost or deemed cost)											
	Computer software	212.33	-	(1.80)	-	210.53	172.42	15.60	(0.40)	-	187.62	22.91
	Total	**212.33**	**-**	**(1.80)**	**-**	**210.53**	**172.42**	**15.60**	**(0.40)**	**-**	**187.62**	**22.91**
	Grand Total (i)+(ii)	**16,970.45**	**412.60**	**(247.41)**	**-**	**17,135.64**	**2,691.21**	**1,005.23**	**(94.89)**	**-**	**3,601.55**	**13,534.09**

Notes :

i) Refer Note 20 for information on property, plant and equipment pledged as security by the Company.

ii) Refer Note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2024
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

Sr. No.	Asset Group	Gross Block					Accumulated Depreciation					Net Block
		Balance as at 01st April 2022	Additions	Disposals	Adjustment/ Transfer	Balance as at 31st March 2023	Balance as at 01st April 2022	Depreciation / Amortization charge for the year	On disposals	Adjustment/ Transfer	Balance as at 31st March 2023	Balance as at 31st March 2023
(i)	Property plant and equipment (At cost or deemed cost)											
	Buildings	5,304.74	805.32	(23.41)	-	6,086.65	249.41	201.45	(1.41)	-	449.45	5,637.20
	Land - Freehold	828.10	-		-	828.10	-	-	-	-	-	828.10
	Plant and Equipment	8,046.72	467.35	(259.05)	-	8,255.02	1,109.60	571.43	(95.17)	-	1,585.86	6,669.16
	Vehicles	133.07	32.28	-	-	165.35	42.68	25.57	-	-	68.25	97.10
	Office equipment	251.11	6.85	(56.81)	-	201.15	72.34	41.23	(30.82)	-	82.75	118.40
	Computers	108.69	9.89	(6.49)	29.77	141.86	88.21	30.96	(4.94)	(9.61)	104.62	37.24
	Furniture and Fixtures	332.29	8.22	(78.30)	-	262.21	49.86	30.04	(18.20)	-	61.70	200.51
	Electrical Installation	784.00	76.35	(42.57)	-	817.78	99.45	78.47	(11.76)	-	166.16	651.62
	Total	**15,788.72**	**1,406.26**	**(466.63)**	**29.77**	**16,758.12**	**1,711.55**	**979.15**	**(162.30)**	**(9.61)**	**2,518.79**	**14,239.33**
(ii)	Intangible Assets (At cost or deemed cost)											
	Computer software	242.15	-	(0.05)	(29.77)	212.33	129.46	33.35	-	9.61	172.42	39.91
	Total	**242.15**	**-**	**(0.05)**	**(29.77)**	**212.33**	**129.46**	**33.35**	**-**	**9.61**	**172.42**	**39.91**
	Grand Total (i)+(ii)	**16,030.87**	**1,406.26**	**(466.68)**	**-**	**16,970.45**	**1,841.01**	**1,012.50**	**(162.30)**	**-**	**2,691.21**	**14,279.24**

Notes :
i) Refer Note 20 for information on property, plant and equipment pledged as security by the Company.
ii) Refer Note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2024
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

Ageing of Capital work-in-progress

Particulars	As at 31st March 2024	As at 31st March 2023
Projects in progress:-		
Less than 1 year	312.95	483.52
1 – 2 years	205.35	1,618.59
2 – 3 years	1,631.75	18.69
More than 3 years	18.69	-
Total	**2,168.74**	**2,120.80**

Completion schedule for projects in Capital work-in-progress, which are overdue or has exceeded its cost compared to its original plan:-

Particulars	As at 31st March 2024	As at 31st March 2023
Projects in progress		
To be completed in :-		
Less than 1 year	1,877.88	1,829.95
1 – 2 years	-	-
2 – 3 years	-	-
More than 3 years	-	-
Total	**1,877.88**	**1,829.95**

Note : 4 : Right-of-use assets

Particulars	Lease hold land	Building	Total
As at 01st April 2022	**2,553.63**	**2,999.88**	**5,553.51**
Addition during the year	-	552.66	552.66
Deletion during the year	-	(1,806.57)	(1,806.57)
As at 31st March 2023	**2,553.63**	**1,745.97**	**4,299.60**
Addition during the year	-	-	-
Deletion during the year	-	(558.09)	(558.09)
Modification during the year	-	(341.82)	(341.82)
As at 31st March 2024	**2,553.63**	**846.06**	**3,399.69**
Accumulated Depreciation			
As at 01st April 2022	**15.08**	**1,160.65**	**1,175.73**
Depreciation for the year	26.45	430.53	456.98
Deletion during the year	-	(602.14)	(602.14)
As at 31st March 2023	**41.53**	**989.04**	**1,030.57**
Depreciation for the year	26.45	363.08	389.53
Deletion during the year	-	(558.09)	(558.09)
Modification during the year	-	(226.61)	(226.61)
As at 31st March 2024	**67.98**	**567.42**	**635.40**
Net Right of use assets			
As at 31st March 2023	**2,512.10**	**756.93**	**3,269.03**
As at 31st March 2024	**2,485.65**	**278.64**	**2,764.29**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2024
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 5 : Non-current Investments

Particulars	As at 31st March 2024	As at 31st March 2023
Non Trade Investment (Unquoted)		
National Savings Certificate	-	0.50
Total	**-**	**0.50**

Aggregate amount of unquoted investments	-	0.50
Aggregate amount of impairment in the value of investments	-	-

Note : 6 : Other financial assets (Non - current)

Particulars	As at 31st March 2024	As at 31st March 2023
Security Deposits (unsecured, considered good)	175.24	227.92
Total	**175.24**	**227.92**

Note : 7 : Income tax assets (net)

Particulars	As at 31st March 2024	As at 31st March 2023
Advance Income Tax [Net of Provision Rs. 4,470.11 Lakhs, (31st March 2023 - Rs. 2,243.32 Lakhs)]	1,742.39	575.85
Total	**1,742.39**	**575.85**

Note : 8 : Other non-current assets

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, considered good (unless otherwise stated)		
Capital Advance	31.41	40.88
Deposits with Government Authorities	1,561.93	1,564.64
Total	**1,593.34**	**1,605.52**

Note : 9 : Inventories

Particulars	As at 31st March 2024	As at 31st March 2023
Raw materials	1,584.96	1,215.48
Packing materials	705.34	649.99
Work-in-progress	75.02	115.58
Finished goods (includes in transit: Rs. 218.88 Lakhs, 31st March 2023: Rs 40.27 Lakhs)	933.08	1,357.90
Stock in trade	2.99	-
Stores and consumables	59.02	87.58
(All above stocks are valued at Lower of Cost and Net realisable Value)		
Total	**3,360.41**	**3,426.53**

Write downs of inventories amounted to Rs. 38.72 Lakhs (31st March 2023: Rs. 695.33 Lakhs). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.

Note : 10 : Current Investments

Particulars	As at 31st March 2024	As at 31st March 2023
Investment in Mutual Funds **Unquoted (At fair value through profit or loss)**		
Aditya Birla Sun Life Liquid Fund - Growth 950,215 Units (as at 31st March 2023 - 950,215 Units)	3,702.80	3,450.07
Aditya Birla Sun Life Savings Fund - Growth 883,458 Units (as at 31st March 2023 - 1,712,597 Units)	4,450.18	8,036.03
ICICI Prudential Savings Fund Growth Direct Nil Units (as at 31st March 2023 - 137,472 Units)	-	635.94
ICICI Prudential Ultra Short Term Fund Growth Direct Nil Units (as at 31st March 2023 - 9,501,577 Units)	-	2,404.02
ICICI Prudential Money Market Fund - Direct Growth Nil Units (as at 31st March 2023 - 438,956 Units)	-	1,423.57
ICICI Prudential Overnight Fund - Direct 15,509 Units (as at 31st March 2023 - Nil Units)	200.15	-
Total	**8,353.13**	**15,949.63**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2024
(All amounts in Rs. Lakhs, unless stated otherwise)

Aggregate amount of quoted investments at market value	-	-
Aggregate amount of unquoted investments	8,353.13	15,949.63
Aggregate amount of impairment in the value of investments	-	-

Note : 11 : Trade receivables

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured		
Considered good	3,400.43	2,532.92
Credit Impaired	23.70	23.70
	3,424.13	**2,556.62**
Less: Allowance for expected credit loss	(35.73)	(44.83)
Total	**3,388.40**	**2,511.79**

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2024							
i) Undisputed trade receivables- considered good	2,511.85	875.64	0.91	-	-	-	3,388.40
ii) Undisputed trade receivables- considered doubtful	4.45	4.97	0.55	0.27	5.68	19.81	35.73
iii) Disputed trade receivables- considered good	-	-	-	-	-	-	-
iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
As at 31st March 2023							
i) Undisputed trade receivables- considered good	1,780.24	730.16	1.39	-	-	-	2,511.79
ii) Undisputed trade receivables- considered doubtful	4.88	6.03	1.68	12.25	16.60	3.39	44.83
iii) Disputed trade receivables- considered good	-	-	-	-	-	-	-
iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-

Note : 12 : Cash and cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents		
Balance in current accounts	359.65	196.10
Cash on hand	0.81	0.33
Total	**360.46**	**196.43**

Note : 13 : Bank balances other than cash and cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Deposits with maturity of more than three months but less than 12 months ^	178.05	167.55
Total	**178.05**	**167.55**

^ Held as security against bank guarantees - Rs. 157.71 lakhs (31st March 2023 : Rs. 153.76 lakhs).

Note : 14 : Loans (Current)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, considered Good		
Inter corporate deposits (ICD) ^	41.63	60.21
Loans to employees	-	17.75
Total	**41.63**	**77.96**

^ The Inter corporate deposits (including interest) had fallen due during the year and same has been renewed. The amount is expected to be settled in the financial year 2024-25.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2024
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 15 : Other financial assets (current)

Particulars	As at 31st March 2024	As at 31st March 2023
Other Receivables	39.95	7.57
Total	**39.95**	**7.57**

Note : 16 : Other current assets

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, considered Good		
Balance with Government Authorities	422.57	408.77
Export and modvat benefit receivable	95.07	70.10
Prepaid Expenses	187.71	339.77
Advance to Employees	4.65	5.95
Advance to Suppliers	50.82	76.24
Total	**760.82**	**900.83**

Note : 17 : Equity share capital

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised 20,750,000 (31st March 2023: 20,750,000) Equity Shares of Rs. 10 each	2,075.00	2,075.00
Issued, Subscribed and Paid up 3,494,433 (31st March 2023: 3,499,619) Equity Shares of Rs. 10 each	349.44	349.96
Total	**349.44**	**349.96**

a. Reconciliation of the number of shares:
Equity Shares

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number of Shares	Rs. In Lakhs	Number of Shares	Rs. In Lakhs
Balance as at the beginning of the year	34,99,619	349.96	34,94,433	349.44
Add: Issued during the year	-	-	5,186	0.52
Less: Bought back during the year	(5,186)	(0.52)	-	-
Balance as at the end of the year	34,94,433	349.44	34,99,619	349.96

b. Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

% of Shareholding	As at 31st March 2024		As at 31st March 2023	
	Number of Shares	% Holding	Number of Shares	% Holding
Equity Shares				
Tata Consumer Products Ltd.	26,20,812	75.00%	-	-
Artal Asia Pte Ltd.	6,98,900	20.00%	13,95,700	39.88%
General Atlantic Singapore CF Pte Ltd	-	-	12,38,203	35.38%
Wildflower Private Trust	1,74,721	5.00%	7,71,430	22.04%

c. Details of shareholding of promoters:

Particulars	Number of equity shares	Percentage of total number of shares	Percentage of change during the year
As at 31st March 2023			
Ajay Kumar Gupta	89,100	2.55%	-
Wildflower Private Trust	7,71,430	22.04%	-
Total	**8,60,530**	**24.59%**	
As at 31st March 2024			
Ajay Kumar Gupta	-	0.00%	-2.55%
Wildflower Private Trust	1,74,721	5.00%	-17.04%
Tata Consumer Products Ltd.	26,20,812	75.00%	75.00%
Total	**27,95,533**	**80.00%**	

d. Terms/rights attached to equity shares.

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Note : 18 : Instruments entirely equity in nature

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised 20,000,000 (31st March 2023: 20,000,000) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	2,000.00	2,000.00
Issued, Subscribed and Paid up Nil (31st March 2023: Nil) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	-	-
Total	**-**	**-**

Note : 19 : Other equity

Particulars	As at 31st March 2024	As at 31st March 2023
Securities premium	13,140.20	13,813.86
Retained earnings	12,966.90	14,581.65
Capital Redemption Reserve	0.52	-
ESOP reserve	-	2,405.25
Total	**26,107.62**	**30,800.76**

Refer statement of changes in equity for detailed movement in other equity balance.

Nature and purpose of each reserve :

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve - The Company has recognised capital redemption reserve on buyback of equity shares. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

ESOP reserve - This represents the fair value of the stock options granted by the Company under the ESOP Plan accumulated over the vesting period. The reserve will be utilised on exercise or settlement of the options.

Note : 20 : Borrowings (non - current)

Particulars	As at 31st March 2024	As at 31st March 2023
Secured Loans:		
Term Loans from a bank		
Foreign Currency Loans	512.53	1,263.18
Total	**512.53**	**1,263.18**

Nature of security and terms of repayment for secured borrowing

Particulars	Terms of Repayment
Foreign Currency Term loan - 3, amounting to Rs. 1,082.68 lakhs # (31st March 2023: Rs. 1,707.77 lakhs#)	Repayable in 60 monthly installments beginning from December 2020, till November 2025. The loan carry fixed interest rate of 1.95% p.a. (31st March 2023: 1.95% p.a.)
Foreign Currency Term loan - 4, amounting to Rs. 198.64 lakhs# (31st March 2023: Rs. 313.32 lakhs #)	Repayable in 60 monthly installments beginning from December 2020, till November 2025 The loan carry fixed interest rate of 1.95% p.a. (31st March 2023: 1.95% p.a.)
The amount mentioned include installments falling due within a year aggregating to Rs 768.79 Lakhs (31st March 2023: Rs 757.91 Lakhs) have been grouped under current maturities of long-term debts under current borrowings (Refer note 24)	
# first and exclusive hypothecation charge on all existing and future current assets and moveable fixed assets including tangible and intangible assets of the Company; and first and exclusive Equitable/ Registered mortgage charge on immoveable properties belonging to the Company (i.e. Land and building at Nashik Plant and Nahuli Plant).	

(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 21 : Other financial liabilities (non -current)

Particulars	As at 31st March 2024	As at 31st March 2023
Security Deposits (unsecured, considered good)	0.50	3.50
Total	**0.50**	**3.50**

Note : 22 : Provisions (non - current)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits		
Gratuity Provision (Refer Note 43)	34.76	-
Compensated Absences (Refer Note 43)	182.30	170.81
Total	**217.06**	**170.81**

Note : 23 : Deferred tax Liabilities (Net)

Particulars	Opening balance as at 01st April 2022	Charged/ (credited) to Profit or Loss	Charged/ (credited) to Other Comprehensive Income	Closing balance as at 31st March 2023
Deferred tax liabilities / (asset) in relation to				
Difference between written down value of property, plant and equipment, intangible assets as per books of accounts and income tax	401.54	122.46	-	524.00
Difference in carrying value and tax base of financial assets of investments	361.96	134.18	-	496.14
Right-of-use assets	462.90	(272.40)	-	190.50
Others	368.07	2.95	16.25	387.27
Disallowances under Sections 40(a)(i) and 43B of the Income Tax Act, 1961	(85.16)	15.95	-	(69.21)
Unabsorbed depreciation & business loss	(208.97)	208.97	-	-
Employee share based payment	(94.16)	(77.63)	-	(171.79)
Lease liabilities	(502.00)	299.46	-	(202.54)
Deferred tax liability (Net)	**704.18**	**433.94**	**16.25**	**1,154.37**

Particulars	Opening balance as at 01st April 2023	Charged/ (credited) to Profit or Loss	Charged/ (credited) to Other Comprehensive Income	Closing balance as at 31st March 2024
Deferred tax liabilities / (asset) in relation to				
Difference between written down value of property, plant and equipment, intangible assets as per books of accounts and income tax	524.00	102.55	-	626.55
Difference in carrying value and tax base of financial assets of investments	496.14	71.78	-	567.92
Right-of-use assets	190.50	(120.38)	-	70.12
Others	387.27	(12.25)	(2.73)	372.29
Disallowances under Sections 40(a)(i) and 43B of the Income Tax Act, 1961	(69.21)	(533.25)	-	(602.46)
Employee share based payment	(171.79)	171.79	-	-
Lease liabilities	(202.54)	123.57	-	(78.97)
Deferred tax liability (Net)	**1,154.37**	**(196.19)**	**(2.73)**	**955.45**

Note : 24 : Borrowings (current)

Particulars	As at 31st March 2024	As at 31st March 2023
Secured		
Current maturities of long-term debt (Refer note 20)	768.79	757.91
Total	**768.79**	**757.91**

Capital Foods Private Limited
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(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 25 : Trade payables

Particulars	As at 31st March 2024	As at 31st March 2023
Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 47)	283.67	394.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,775.80	7,526.52
Total	**5,059.47**	**7,921.39**

Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2024						
i) MSME	257.37	26.30	-	-	-	283.67
ii) Others	2,117.67	907.44	20.18	11.99	-	3,057.28
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
As at 31st March 2023						
i) MSME	381.15	13.72	-	-	-	394.87
ii) Others	3,081.98	975.26	19.42	3.21	-	4,079.87
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Unbilled dues are Rs. 1,718.52 Lakhs as on 31st March 2024, (Rs. 3,446.65 Lakhs as on 31st March 2023).

Note : 26 : Other financial liabilities (current)

Particulars	As at 31st March 2024	As at 31st March 2023
Capital Creditors	2.09	7.58
Retention money payable	87.12	67.85
Employee Benefits payable	2,806.88	794.78
Interest accrued but not due on borrowing	2.15	3.39
Total	**2,898.24**	**873.60**

Note : 27 : Provisions (current)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits		
Gratuity Provision (Refer Note 43)	133.07	-
Compensated Absences (Refer Note 43)	28.18	59.32
Total	**161.25**	**59.32**

Note : 28 : Current tax liabilities (Net)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for Taxation [Net of Advance Tax Rs. Nil (31st March 2023 - Rs. 1,823.15 Lakhs)]	-	383.46
Total	**-**	**383.46**

Note : 29 : Other current liabilities

Particulars	As at 31st March 2024	As at 31st March 2023 #
Statutory Dues	161.77	480.48
Advance received from Customers	955.04	293.64
Total	**1,116.81**	**774.12**

Statutory dues includes provident fund contribution payable which is delayed due to inability of few employees to link Aadhar with UAN number in PF portal, consequently the requisite amount for these specific employees remained outstanding as on 31 March 2023 which has been paid subsequently.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2024
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 30 : Revenue from operations

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Revenue from contracts with customers	67,525.42	70,240.03
	67,525.42	**70,240.03**
Other Operating Revenue		
Scrap Sales	73.65	169.36
Export Incentives	143.80	145.31
Total	**67,742.87**	**70,554.70**

Note : 31 : Other income

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest Income	38.98	27.10
Unwinding of discount on security deposits	5.00	5.08
Net gain on sale of investments	990.93	144.57
Net gain on derecognition/modification of Right of use asset	11.95	123.61
Net gain arising on financial assets measured at fair value through profit or loss	285.20	533.12
Net gain on foreign currency transaction	131.07	-
Miscellaneous Income	61.77	36.49
Total	**1,524.90**	**869.97**

Note : 32 : Cost of materials consumed

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Cost of Raw Material and Packing Material Consumed		
Cost of Raw Material Consumed	21,038.74	22,316.92
Cost of Packing Material Consumed	9,339.01	11,538.74
Total	**30,377.75**	**33,855.66**

Note : 33 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Work in Progress		
Opening stock of Work in progress	115.58	180.86
Closing stock of Work in progress	75.02	115.58
	40.56	**65.28**
Finished Goods and Stock-in-trade		
Opening stock of Finished goods and Stock-in-trade	1,357.90	1,300.46
Closing stock of Finished goods and Stock-in-trade	936.08	1,357.90
	421.82	**(57.44)**
Total	**462.38**	**7.84**

Note : 34 : Employee benefits expense

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Salaries, wages and bonus*	9,746.16	5,738.15
Gratuity	190.98	111.88
Contribution to provident & Other funds	166.78	181.42
Staff welfare expenses	94.08	96.40
Employee share-based payment expense	772.28	308.45
Total	**10,970.28**	**6,436.30**

*For the year ended 31 March 2024, it includes one time bonus of Rs. 4,500 Lacs to the eligible employees for their past services and as a token of appreciation of their commitment to the success of the company.

Note : 35 : Finance costs

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest on borrowings	32.16	64.59
Interest - Others	1.33	0.11
Interest on Lease Liabilities	42.80	66.60
Other borrowing costs	5.25	-
Total	**81.54**	**131.30**

Note : 36 : Other expenses

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Power & Fuel	1,124.07	1,493.60
Labour Charges	1,378.05	1,235.62
Consumable Stores	172.21	215.26
Legal and Professional Fees	3,450.69	3,410.21
Rent (Refer Note 46)	72.98	82.88
Rates & Taxes	101.60	4.62
Insurance *	1,316.24	228.41
Repairs and Maintenance	259.95	275.46
Auditor's Remuneration [Refer Note 36 (a)]	136.64	77.25
Loss on Disposal of Assets (Net)	115.94	232.33
Advertisement Expenses	5,355.27	5,189.45
Sales Promotion Expenses	328.74	418.37
Freight Outward	2,963.01	3,566.06
Printing and Stationery	12.86	13.38
Travel and Conveyance	945.96	938.78
Warehousing and handling charges	318.94	215.49
Net loss on foreign currency transaction	-	68.33
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 44)	116.50	-
Provision for Doubtful debts	(9.10)	(40.38)
Miscellaneous expenses	1,589.84	1,626.04
Total	**19,750.39**	**19,251.16**

* Insurance expenses for the year ended 31 March 2024 includes Rs. 1,087.29 Lacs towards Warranty & Indemnity insurance as part of share purchase agreement.

Note 36 (a) - Auditor's Remuneration

Particulars	Year ended 31st March 2024 #	Year ended 31st March 2023
Statutory Audit Fees	35.00	24.25
Tax Audit Fees	5.00	1.75
Other Services	94.38	49.06
Reimbursement of expenses	2.26	2.19
Total	**136.64**	**77.25**

includes payment to predecessor auditor Rs. 85.79 Lacs.

Note : 37 : Tax reconciliation

Income tax expense

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Current tax		
Current tax on profit for the year	1,982.98	2,206.61
Adjustment to current tax of prior periods	(76.69)	(2.55)
Total current tax expenses	**1,906.29**	**2,204.06**
Deferred tax expenses/(credit)	**(196.19)**	**433.94**
Income tax expense recognised in the Statement of Profit and Loss	**1,710.10**	**2,638.00**

Reconciliation of tax expense

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit before tax	**5,752.83**	**10,145.83**
Income tax expense calculated at 25.168% #	1,447.87	2,553.50
Tax effect on non-deductible expenses	375.68	83.90
Effect of Income which is taxed at special rates	(0.66)	(0.68)
Effect of indexation benefit on Long term capital gains	(22.32)	(12.42)
Earlier year tax adjustment	(76.69)	(2.55)
Others	(13.78)	16.25
Income tax expense recognised in the Statement of Profit and Loss	**1,710.10**	**2,638.00**

The tax rate used for reconciliation above is the corporate tax rate at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

(All amounts in Rs. Lakhs, unless stated otherwise)

38 Fair Value Measurement

(a) Financial instruments by category :

Particulars	As at 31st March 2024		As at 31st March 2023	
	Fair value through Profit or Loss	Amortised Cost	Fair value through Profit or Loss	Amortised Cost
Financial assets				
Investments				
- Mutual funds	8,353.13	-	15,949.63	-
- National saving certificate	-	-	-	0.50
Trade receivables	-	3,388.40	-	2,511.79
Cash and cash equivalents	-	360.46	-	196.43
Bank balances other than cash and cash equivalents	-	178.05	-	167.55
Loans	-	41.63	-	77.96
Security deposits	-	175.24	-	227.92
Other receivables	-	39.95	-	7.57
Total	**8,353.13**	**4,183.73**	**15,949.63**	**3,189.72**
Financial liabilities				
Borrowings	-	1,281.32	-	2,021.09
Lease liabilities	-	313.78	-	804.77
Trade payables	-	5,059.47	-	7,921.39
Security deposits	-	0.50	-	3.50
Capital creditors	-	2.09	-	7.58
Retention money payable	-	87.12	-	67.85
Employee Benefits payable	-	2,806.88	-	794.78
Interest accrued but not due on borrowing	-	2.15	-	3.39
Total	**-**	**9,553.31**	**-**	**11,624.35**

(b) Fair Value Hierarchy:

Financial assets and liabilities measured at fair value

Particulars	Level 1	Level 2	Level 3
Financial assets			
Investments			
Mutual Funds			
As at 31st March, 2024	8,353.13	-	-
As at 31st March, 2023	15,949.63	-	-

Level 1: Includes financial instruments measured using market prices. This includes mutual funds that have market price. The mutual funds are valued using the closing NAV.
Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable inputs for the asset or liability.
There are no transfers between levels during the year.
The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

39 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

A. Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in various countries. Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Movement in the expected credit loss allowance on trade receivables

Particulars	Amount
Loss allowance as on 01st April 2022	85.21
Changes in loss allowance	(40.38)
Loss allowance as on 31st March 2023	44.83
Changes in loss allowance	(9.10)
Loss allowance as on 31st March 2024	35.73

Loss allowance as at 31st March 2024 and 31st March 2023 was determined as follows for trade receivables and contract assets under the simplified approach:

As at 31st March 2024	Gross carrying amount – trade receivables	Expected loss rate	Expected credit losses– trade receivables	Carrying amount of trade receivables (net of impairment)
Not due	2,516.30	0.18%	4.45	2,511.85
1-60'	864.44	0.39%	3.33	861.11
61-120	9.68	6.51%	0.63	9.05
121-180	6.49	15.56%	1.01	5.48
181-240	1.30	30.00%	0.39	0.91
241-300	-	0.00%	-	-
301-360	0.16	100.00%	0.16	-
More than 360 days	25.76	100.00%	25.76	-
Total	**3,424.13**		**35.73**	**3,388.40**

As at 31st March 2023	Gross carrying amount – trade receivables	Expected loss rate	Expected credit losses– trade receivables	Carrying amount of trade receivables (net of impairment)
Not due	1,785.12	0.27%	4.88	1,780.24
1-60'	707.47	0.51%	3.62	703.85
61-120	21.80	6.38%	1.39	20.41
121-180	6.92	14.77%	1.02	5.90
181-240	1.64	28.82%	0.47	1.17
241-300	0.56	65.55%	0.37	0.19
301-360	0.87	96.71%	0.84	0.03
More than 360 days	32.24	100.00%	32.24	-
Total	**2,556.62**		**44.83**	**2,511.79**

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with good credit ratings. No expected credit loss allowance has been created for security deposits and investments in mutual funds, since the Company considers the lifetime credit risk of these financial assets to be very low.

B. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised borrowing facilities from banks of Rs. 2,724.43 Lacs as on March 31, 2024 and Rs. 6,109.25 Lacs as on March 31, 2023

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	As at 31st March 2024			
	Less than 1 year	Between 1 and 3 years	More than 3 years	Total
Non-Derivatives				
Borrowings	768.79	512.53	-	1,281.32
Lease liabilities	238.72	75.06	-	313.78
Trade payables	5,059.47	-	-	5,059.47
Others	2,898.24	-	0.50	2,898.74
	8,965.22	**587.59**	**0.50**	**9,553.31**

Particulars	As at 31st March 2023			
	Less than 1 year	Between 1 and 3 years	More than 3 years	Total
Non-Derivatives				
Borrowings	757.91	1,263.18	-	2,021.09
Lease liabilities	383.46	421.31	-	804.77
Trade payables	7,921.39	-	-	7,921.39
Others	873.60	-	3.50	877.10
	9,936.36	**1,684.49**	**3.50**	**11,624.35**

C. Market Risk

a) Foreign currency risk exposure

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses and foreign currency borrowings. To mitigate the risk of changes in exchange rates on foreign currency exposures, the company has natural hedge between foreign currency receivables and payables.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

(Rs. in Lakhs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	USD	Others	USD	Others
Financial assets				
Trade receivables	2,694.98	-	1,479.10	-
Cash and cash equivalents	97.35	-	64.64	-
Total	**2,792.33**	**-**	**1,543.74**	**-**
Financial liabilities				
Borrowings	1,281.32	-	2,021.09	-
Trade payables	25.25	24.06	58.66	26.26
Total	**1,306.57**	**24.06**	**2,079.75**	**26.26**

Sensitivity

For the years ended March 31, 2024 and March 31, 2023 every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would decrease the Company's profit by approximately Rs. 73.09 Lakhs and increase profit by Rs. 28.11 Lakhs respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

b) Interest rate Risk

The Company has certain loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The Company's Treasury Department monitors the interest rate movement and manages the interest rate risk by evaluating the market / risk perception.

40 Capital Management

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Debt equity ratio	As at 31st March 2024	As at 31st March 2023
Net Debt (includes non-current, current borrowings and lease liabilities net off Cash and cash equivalents)	1,234.64	2,629.43
Total equity (including reserves)	26,457.06	31,150.72
Debt equity ratio	0.05	0.08

41 Contingent Liabilities

(To the extent not provided for)
a) Claims against the Company not acknowledged as debt:

Particulars	As at 31st March 2024	As at 31st March 2023
Sales Tax matters#	3,501.54	3,563.03
Income Tax matters*	28.20	28.20
Other matters	0.78	3.28

#The Company has received various demands against Sales tax matters for the financial year 2009-10 to 2013-14 in respect of non submission of statutory forms, classification of products and predetermined interstate sales amounting to Rs. 3,501.54 Lakhs. Future cash flows in respect of the above, if any, is determine only on the receipt of judgements/decisions pending with the relevant authorities.

* The Company has received a favorable order of gross demand of the A.Y. 2008-09, amounting to Rs. 28.20 Lakhs from the ITAT as on 2013. However, the department has filed an appeal in the Bombay High Court against the order.

b) Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty on the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

c) There was an ongoing legal case as on March 31, 2023 in respect of termination of contract manufacturing arrangement with a vendor. During the year, Company has entered into a settlement agreement in respect of the aforementioned matter with the vendor and matter stands resolved.

42 Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Estimated value of contracts in capital account remaining to be executed [Net of Advance of Rs. 31.41 Lacs (31st March, 2023: Rs. 30.90 lacs)]	59.27	144.64

43 Employee Benefits Plans

(i) Defined contribution plan

The Company makes contributions to Provident Fund and Employee's Pension Scheme, 1995. The contributions payable under this scheme by the Company are at rates specified in the rules of the scheme. The Company has no further obligation towards the scheme beyond the aforesaid contributions. The Company has recognised the following amounts in the Statement of Profit and Loss.

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Amount recognised in the statement of profit and loss :-		
(i) Contribution to provident fund	165.11	180.38
(ii) Contribution to ESIC	1.67	1.04

(ii) Defined benefit plan :

A) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund.

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Actuarial assumptions for defined benefit plan :-		
Discount rate	7.22% p.a.	7.52% p.a.
Expected return on plan assets	7.22% p.a.	7.52% p.a.
Salary escalation	6.00% p.a.	6.00% p.a.
Attrition rate	4.00% p.a.	4.00% p.a.
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Change in Defined Benefit Obligation (DBO) during the year

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Obligation as at the beginning of the year	409.77	412.57
Current Service cost	63.36	64.48
Interest Cost	30.81	29.83
Past Service Cost	205.71	-
Actuarial (Gains)/Losses		
- due to change in demographic assumptions	-	-
- due to change in financial assumptions	8.90	(8.27)
- due to experience	(2.97)	(62.65)
Benefits paid	(242.43)	(26.19)
Obligation as at the year end	**473.15**	**409.77**

Reconciliation of plan assets

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Balance at the beginning of the year	482.39	436.08
Expected return on plan assets	36.28	31.53
Actuarial Gains/ (Losses)	(4.92)	(6.34)
Contribution by the Company	34.00	47.31
Benefits paid	(242.43)	(26.19)
Balance at the end of the year	**305.32**	**482.39**

Net Liability / (Asset) recognised in Balance Sheet

Particulars	As at 31st March 2024	As at 31st March 2023
Present Value of Obligation	473.15	409.77
Fair Value of Plan Assets	305.32	409.77
Liability /(Asset) recognised in the Balance Sheet ^	167.83	-
(i) Current	133.07	-
(ii) Non Current	34.76	-

^ Excess of fair value of plan asset over present value of obligation amounting to Rs. 72.62 Lakhs had been expensed of to the Statement of Profit and Loss upto 31 March 2023 has been utilised towards obligation for the current year.

(All amounts in Rs. Lakhs, unless stated otherwise)

Expense recognised in Statement of Profit and Loss

Particulars	**Year ended 31st March 2024**	**Year ended 31st March 2023**
Current Service Cost	63.36	64.48
Past Service Cost	205.71	-
Interest Cost	30.81	29.83
Expected return of Plan Assets	(36.28)	(31.53)
Expenses recognised	**263.60**	**62.78**

Remeasurement of defined benefit obligation recognised in Other Comprehensive Income

Particulars	**Year ended 31st March 2024**	**Year ended 31st March 2023**
Actuarial (Gain)/Loss on defined benefit obligation	5.93	(70.92)
Actuarial (Gain)/Loss on plan assets	4.92	6.34
Total amount recognised in other comprehensive income	**10.85**	**(64.58)**

Major Category of Plan Assets

The defined benefit plan of the Company is funded and the Company makes contribution to recognised funds (Insurance funds) in India.

Insurance Fund	100%	100%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	**Year ended 31st March 2024**	**Year ended 31st March 2023**
Delta Effect of +1% Change in Rate of Discounting	(28.37)	(26.10)
Delta Effect of -1% Change in Rate of Discounting	32.45	30.00
Delta Effect of +1% Change in Rate of Salary Increase	32.52	29.14
Delta Effect of -1% Change in Rate of Salary Increase	(28.93)	(26.12)
Delta Effect of +1% Change in Rate of Employee Turnover	1.32	1.92
Delta Effect of -1% Change in Rate of Employee Turnover	(1.61)	(2.29)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Risk Exposure

a) Interest rate risk : A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

b) Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

d) Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

e) Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

f) Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company.

Maturity analysis of projected benefit obligation

Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Year 1	95.18	84.40
Year 2	27.88	20.58
Year 3	30.34	25.43
Year 4	22.04	28.38
Year 5	79.11	25.76
Year 6-10	187.03	194.65
Year 11 and above	426.84	430.01

B) Compensated absence

Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Amount recognised in the balance sheet:		
Non-current	182.30	170.81
Current	28.18	59.32

44 Corporate Social Responsibility Expenditure (CSR)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Amount required to be spent by the Company	116.49	-
Amount spent by the Company		
i) Construction / acquisition of any asset	-	-
ii) On purpose other than (i) above	60.40	56.10
Set off available carried forward from last year and utilised	56.10	-
Amount of shortfall	-	-
Amount of cumulative shortfall	-	-
Excess amount spent for the financial year	-	56.10
Amount available for set off in succeeding financial years	-	56.10
Nature of CSR activities		
Contribution for educational purposes	60.40	56.10

45 Revenue from contract with customers

The reconciling items of revenue recognised in the statement of profit and loss with the contracted price are as follows :-

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Revenue as per contracted price, net of returns	73,187.63	74,871.92
Less:-		
Provision for sales return	1,400.01	2,072.43
Rebates, discounts, claims and others	4,262.20	2,559.46
Revenue from contract with customers	67,525.42	70,240.03

Particulars	As at 31st March 2024	As at 31st March 2023
Contract balances		
Trade receivables	3,388.40	2,511.79
Contract liabilities	955.04	293.64

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

The Company has recognized revenue of Rs. 293.64 Lakhs (31st March 2023: Rs. 662.79 Lakhs) from the amounts included under advance received from customers at the beginning of the year.

46 Leases

The Company has applied lnd AS 116 “Leases” to all lease contracts using the modified retrospective method. Accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has excercised judgement in determining whether extension and termination options are reasonably certain to be excercised. Expenses relating to short-term leases and low-value assets for year ended 31st March 2024 is Rs. 11.07 Lakhs (31st March 2023 : Rs. 21.30 Lakhs).

Particulars	As at 31st March 2024	As at 31st March 2023
Lease liabilities - maturity analysis - contractual undiscounted cashflows		
Not later than one year	251.78	427.46
Later than one year and not later than five years	76.70	440.19
Later than five years	-	-
	328.48	**867.65**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Movement of lease liabilities		
Opening balance	804.77	1,994.62
Add:- Addition	-	545.38
Add:- Interest on lease liabilities	42.80	66.60
Less:- Deletion	-	1,314.11
Less:- Modification	126.08	-
Less:- Payment towards lease liabilities	407.71	487.72
Closing balance	**313.78**	**804.77**

47 Disclosure as required by the Micro, Small & Medium Enterprises Development Act, 2006 are as under

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures pursuant to the said MSMED Act are as follows:

Particulars	**Year ended 31st March 2024**	**Year ended 31st March 2023**
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	280.94	394.24
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.73	0.63
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	187.21	217.98
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	2.73	0.63
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

48 Segment Reporting

The Chief Operating Decision Maker (‘CODM’) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Company's reportable segments are "Within India" and "Outside India". The reportable segments derives their revenues from the sale of "Processed Foods".

Particulars	**Year ended 31st March 2024**		**Year ended 31st March 2023**	
	Within India	**Outside**	**Within India**	**Outside**
Revenue from Operations	53,999.71	13,743.16	58,472.55	12,082.15
Carrying amount of segment assets *	36,295.98	-	44,332.53	-
Capital Expenditure	460.54	-	688.99	-

* Excluding Advance income tax and Balance with government authorities

49 Related party disclosures

Names of related parties and nature of relationship

Promoter of Holding Company	Tata Sons Private Limited (wef 1st February 2024)
Holding Company	Tata Consumer Products Limited (wef 1st February 2024)
Subsidiaries of Promoter of the Holding Company with whom the Company had transactions	Tata Teleservices Limited Tata Teleservices (Maharashtra) Limited Innovative Retail Concepts Private Limited
Entities having a significant influence	Artal Asia Pte Ltd.* General Atlantic Singapore CF Pte Ltd* (upto 31st January 2024) Wildflower Private Trust* (upto 31st January 2024)
Key Management Personnel (KMP)	Ajay Kumar Gupta, Chairman and Whole Time Director (upto 31st January 2024) Raghunandan Sathyanarayan Rao, Chief Executive Officer (CEO) [he has been CEO upto 31st March 2023]

* There are no transactions with the parties

Disclosure of transactions with related parties during the year and outstanding balance as at the year end:

Particulars	**Year ended 31st March 2024**	**Year ended 31st March 2023**
A) Transactions during the year		
Revenue from contracts with customers		
Tata Consumer Products Limited	8,568.03	-
(Net off reimbursement claims of Rs. 592.75 Lacs attributable to sales)		
Receiving of services		
Tata Consumer Products Limited	50.63	-
Administrative and other expenses		
Tata Teleservices (Maharashtra) Limited	1.42	-
Tata Teleservices Limited	0.24	-

(All amounts in Rs. Lakhs, unless stated otherwise)

Issue of equity shares		
Raghunandan Sathyanarayan Rao	-	500.03
Remuneration to KMP		
Ajay Gupta	962.05	759.02
Others	-	498.73
B) Balance outstanding as at the end of the year		
Receivables		
Tata Consumer Products Limited	640.10	-
Innovative Retail Concepts Private Limited	1.20	-
Payables		
Tata Teleservices (Maharashtra) Limited	0.02	-

50 Earnings Per Share

Particulars	**Year ended 31st March 2024**	**Year ended 31st March 2023**
Earnings/ (Loss) Per Share:		
Basic		
Profit after tax	4,042.73	7,507.83
Nominal value of shares outstanding	10.00	10.00
Weighted average number of shares outstanding	34,98,400	34,97,886
Basic (In Rs.)	115.56	214.64
Diluted		
Profit after tax	4,042.73	7,507.83
Nominal value of shares outstanding	10.00	10.00
Weighted average number of shares outstanding	34,98,400	34,97,886
Add: Weighted average number of potential equity shares on account of employee stock options	-	53,470
Weighted average number of shares outstanding for diluted Earning Per Shares	34,98,400	35,51,356
Diluted (In Rs.)	115.56	211.41

51 Financial Ratios

Ratios and Formulae	**31st March 2024**	**31st March 2023**	**% Variance**	**Reason for variance**
(i) Current Ratio = (Current assets / Current liabilities)	1.61	2.08	-22.60%	Change due to realisation of current investments during the year.
(ii) Debt-equity ratio = (Total debt/ Shareholder's equity)	0.05	0.06	-16.67%	
(iii) Debt service coverage ratio = (Profit before tax +Depreciation+ Interest on long term loans) / (Finance cost + Principal repayments made during the period for long term debt)	9.03	14.86	-39.23%	Change due to reduction in profit.
(iv) Return on equity ratio % = (Net profit after tax/ Average shareholder's equity)	14.04%	27.84%	49.58%	Change due to reduction in profit.
(v) Inventory turnover ratio = (Cost of goods sold / Average inventory)	9.23	9.31	-0.86%	
(vi) Trade receivables turnover ratio = (Net sales / Average trade receivables)	22.89	36.52	-37.32%	Change due to decrease in sales and increase in average trade receivables.
(vii) Trade payables turnover ratio = (Net purchases / Average trade payables)	11.57	11.64	-0.60%	
(viii) Net capital turnover ratio = (Net sales / Average working capital)	7.37	9.32	-20.92%	
(ix) Net profit ratio margin % = (Net profit after tax / Revenue from operations)	5.97%	10.64%	43.92%	Change due to reduction in profit.
(x) Return on capital employed % = [(Earning before interest and tax)/ (Capital Employed)] (Capital Employed = Total assets - Current liabilities)	20.68%	30.08%	31.27%	Change due to reduction in profit.
(xi) Return on investment % = [(Net profit after tax)/ (Capital invested)] (Capital invested = Debt+Equity)	14.57%	22.63%	35.61%	Change due to reduction in profit.

(All amounts in Rs. Lakhs, unless stated otherwise)

52 Share based payments

Capital Foods Employee Stock Option Plan 2019 (ESOP 2019): The shareholders by its resolution dated October, 9, 2019 approved ESOP 2019 plans for granting Employee Stock Options to eligible employees. Each Option entitles holder to one equity share (of face value Rs. 10 each) of the Company. In terms of resolutions Board was authorised to formulate the schemes and decide the criteria for grant of options. Board by its resolution dated 18 November 2019 and other relevant resolutions, formulated the various schemes, and identified the eligible employees for grant.

Capital Foods Employee Stock Option Plan 2020 (ESOP 2020): The shareholders by its resolution dated December, 28, 2020 approved ESOP 2020 plans for granting Employee Stock Options to eligible employees. Each Option entitles holder to one equity share (of face value Rs. 10 each) of the Company. In terms of resolutions Board was authorised to formulate the schemes and decide the criteria for grant of options. Board by its resolution dated 21 January 2021, formulated the various schemes, and identified the eligible employees for grant.

Particulars	ESOP 2019		ESOP 2020	
	No of options	Date of Grant	No of options	Date of Grant
Date of Grant	1,11,078	18-Nov-19	54,646	29-Jan-21
	4,984	03-Dec-19	29,550	22-Jan-21
	9,092	20-Jan-20	1,000	25-Mar-21
	22,612	05-Oct-20	2,000	02-Jun-21
	900	07-Oct-20	4,180	16-Nov-21
	3,001	04-Nov-20		
	3,500	22-Jan-21		
	1,121	16-Nov-21		
	39,250	13-Sep-22		
Number of Options Granted	**1,95,538**		**91,376**	
Exercise Period	A period of 7 years from the date of listing of Shares on the stock exchange for Continuing Employee or Deceased Employee and a period of 3 years from the date of listing of Shares on the stock ex-change for Ex-Employees, unless the Board decides otherwise.			
Exercise Price (Rs.)	5,765.47		7,489.20	

Particulars	As at March 31, 2024		As at March 31, 2023	
	Average exercise price per share option (Rs)	Number of options	Average exercise price per share option (Rs)	Number of options
Opening Balance (ESOP 2019)	-	**1,32,823**	-	**1,10,518**
Opening Balance (ESOP 2020)	-	**8,809**	-	**24,235**
Granted during the year (ESOP 2019)	-	-	9,642.00	39,250
Granted during the year (ESOP 2020)	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year (ESOP 2019)	9,439.51	14,282	5,484.93	16,945
Forfeited during the year (ESOP 2020)	8,535.39	1,213	7,824.74	15,426
Settled during the year (ESOP 2019)	5,776.95	1,18,541	-	-
Settled during the year (ESOP 2020)	7,552.91	7,596	-	-
Closing Balance (ESOP 2019)		**-**		**1,32,823**
Closing Balance (ESOP 2020)		**-**		**8,809**
Vested and exercisable (ESOP 2019)	-	-	4,600.41	87,063
Vested and exercisable (ESOP 2020)	-	-	7,413.52	4,753

All options were settled during the current year.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

ESOP 2019				
Grant Date	**Expiry Date**	**Exercise Price (Rs)**	**Number of options as at 31 March 2024**	**Number of options as at 31 March 2023**
18-Nov-19	31-Mar-31	4,115.97	-	68,266
03-Dec-19	31-Mar-31	3,864.44	-	4,984
20-Jan-20	31-Mar-31	4,444.11	-	3,056
05-Oct-20	31-Mar-31	7,370.00	-	12,390
07-Oct-20	31-Mar-31	7,370.00	-	662
04-Nov-20	31-Mar-31	7,370.00	-	725
22-Jan-21	31-Mar-31	7,386.00	-	2,619
16-Nov-21	31-Mar-31	9,642.00	-	871
13-Sep-22	31-Mar-31	9,642.00	-	39,250
Total			**-**	**1,32,823**
Weighted average remaining contractual life of options outstanding at end of period			-	8.00

ESOP 2020				
Grant Date	**Expiry Date**	**Exercise Price (Rs)**	**Number of options as at 31 March 2024**	**Number of options as at 31 March 2023**
29-Jan-21	31-Mar-31	7,386.00	-	-
22-Jan-21	31-Mar-31	7,386.00	-	7,104
25-Mar-21	31-Mar-31	7,386.00	-	500
02-Jun-21	31-Mar-31	7,386.00	-	25
16-Nov-21	31-Mar-31	9,642.00	-	1,180
Total			**-**	**8,809**
Weighted average remaining contractual life of options outstanding at end of period			-	8.00

Fair value of options granted:-

There were no options granted during the year ended 31st March 2024. The fair value at grant date of options granted during the year ended 31 March 2023 was Rs. 4,380.44 per option. The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2023 included:

a) Exercise price - Rs. 9,642
b) Grant date - as disclosed above in the table.
c) Expiry date - 31 March 2031
d) Share price at grant date - Rs. 9,642
e) Expected price volatility of the company's shares - 48.42%
f) Expected dividend yield - Nil
g) Risk-free interest rate - 6.96%

The expected price volatility is based on the peer volatility.

Effect of Share-based payment plan on the Balance Sheet and Statement of Profit and Loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expense arising from employee share-based payment plan (Charged to Statement of Profit and Loss)	772.28	308.45
Expense arising from employee share-based payment plan (Routed through Retained Earnings)	7,494.38	-

53 Additional regulatory information required by schedule III

i) The Company does not have any benami property. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

iii) Requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017 - Not applicable to the Company.

iv) Utilisation of borrowed funds and share premium

I. The Company has 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.

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vi) The Company has not traded or invested in crypto currency or virtual currency during the year.

vii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

viii) The Company has not revalued its Property, plant and equipment (Including Right of use assets) and intangible assets during the year / previous year.

ix) The Company has not entered into any scheme of arrangement during current year / previous year which has an accounting impact.

x) The Company has not given any loans and advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013).

xi) The Company has borrowings from bank on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts.

xii) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements, are held in the name of the company.

xiii) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

xiv) The Company do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.

54 As per the Companies (Accounts) Rules, 2022, as amended, the books of account and other relevant books and papers maintained by a company in electronic mode shall remain accessible in India, at all times. Further, the back-up of the books of account and other books and papers of the company maintained in electronic mode, shall be kept in servers physically located in India on daily basis. The books of account and other relevant books and papers maintained by the Company in electronic mode are readily accessible in India at all times. However, the back-up of the books of account and other books and papers of the Company maintained in electronic mode, are kept in servers physically located outside India.

55 As per the Rule 3(1) of Companies (Accounts) Rules, 2022, as amended, requires the companies which use accounting software for maintaining their books of account, to use only such accounting software which has audit trail feature. For the purpose of this Rule, SAP and ZingHR accounting softwares have been identified as books of accounts. These accounting softwares have the feature of recording audit trail (edit log) facility except that audit trail feature was not enabled (i) at the database level for SAP (database MSSQL) to log any direct data changes, (ii) for maintenance of price and discount master records.

56 Previous year figures have been reclassified / regrouped, wherever necessary, to conform to this year's classification.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.117366W/W-100018

For and on behalf of Board of Directors

Mukesh Jain
Partner
Membership No: 108262
Place: Mumbai
Date: April 18, 2024

Sunil D'Souza
Director
DIN : 07194259
Place: Mumbai
Date: April 18, 2024

Abhijit Midha
Director
DIN : 10481897
Place: Mumbai
Date: April 18, 2024

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: April 18, 2024

Independent Auditors' Report

To the Members of Capital Foods Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Capital Foods Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

9. 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.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on April 01, 2023 and April 18, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 to the financial statements;

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53 to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53 to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

12. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 23118785BGWHVL3276
Place: Mumbai
Date: August 28, 2023

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Capital Foods Private Limited on the financial statements for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Capital Foods Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 23118785BGWHVL3276
Place: Mumbai
Date: August 28, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment (including Right of use assets) are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment (including Right of use assets) has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer Note 53 to the financial statements).

iii. (a) The Company does not have any subsidiaries, joint ventures and associates. The Company has granted advances in nature of loans, to one company and three other parties. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such advances to parties other than subsidiaries, joint ventures and associates are as per the table given below:

Particulars	Advances in nature of loans
Aggregate amount granted/ provided during the year - Others	Rs. 31.19 Lakhs
Balance outstanding as a balance sheet date in respect of the above case - Others	Rs. 77.96 Lakhs

(Also refer Note 14 to the financial statements)

(b) In respect of the aforesaid advances in nature of the loan, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of the aforesaid advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. One party is not regular in repaying the principal amounts including interest, as stipulated. Also refer clause iii(e) below.

(d) In respect of the aforesaid advances in nature of loans, there is no amount which is overdue for more than ninety days. Also refer clause iii(e) below.

(e) Following advances in nature of loans were granted to same party, which has fallen due during the year and were renewed/ extended. Further, in respect of following advances in nature of loans fresh loans were granted to settle the overdue advances in nature of loan.

Name of the party	Aggregate amount dues renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
In & Out Advertising Private Limited	Rs. 60.21 Lakhs	193.04 %

(Also refer Note 14 to the financial statements)

(f) The advances in nature of loans granted during the year, had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. There were no loans granted to promotors/ related parties.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of provident fund, the Company is regular in depositing undisputed statutory dues, including employees' state insurance, professional tax, income tax, duty of customs, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	11,330	April, 2022	15-05-2022	Unpaid
		38,894	May, 2022	15-06-2022	
		25,708	June, 2022	15-07-2022	
		25,526	July, 2022	15-08-2022	
		32,658	August, 2022	15-09-2022	

(Also refer Note 29 to the financial statements)

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)*#	Period to which the amount relates	Forum where the dispute is pending
The Gujarat Value Added Tax Act, 2003	VAT	406.41	2010-11	Deputy Commissioner-Commercial tax

The Central Sales Tax Act, 1956	CST	1,518.78	2010-11	Deputy Commissioner-Commercial tax
The Central Sales Tax Act, 1956	CST	15.27	2013-14	Gujarat Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	VAT	61.50	2012-13	Maharashtra Sales Tax Tribunal
The Income Tax Act, 1961	Income Tax	14.71	2007-08	Hon'ble Bombay High Court
The Income Tax Act, 1961	Income Tax	327.47	2019-20	Commissioner of Income Tax (Appeals)

* Net of amounts paid under protest
# Including interest and penalty

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements 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 procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a preferential allotment of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is 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, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 51 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 23118785BGWHVL3276
Place: Mumbai
Date: August 28, 2023

M/S CAPITAL FOODS PRIVATE LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31st MARCH,2023

Villa Capital, Sadhana Compound,
S.V. Road, Jogeshwari West,
Mumbai-400 102 (India)
Tel: 022 68822444

Capital Foods Private Limited
Balance Sheet as at 31st March 2023
(All amounts in Rs. lakhs, unless stated otherwise)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,239.33	14,077.17
Intangible assets	3	39.91	112.69
Capital work-in-progress	3	2,120.80	2,838.07
Right-of-use assets	4	3,269.03	4,377.78
Financial assets			
(i) Investments	5	0.50	0.50
(ii) Other financial assets	6	227.92	271.86
Income tax assets (net)	7	575.85	576.92
Other non-current assets	8	1,605.52	1,612.38
Total non-current assets		**22,078.86**	**23,867.37**
Current assets			
Inventories	9	3,426.53	3,879.16
Financial assets			
(i) Investments	10	15,949.63	9,323.32
(ii) Trade receivables	11	2,511.79	1,335.03
(iii) Cash and cash equivalents	12	196.43	94.71
(iv) Bank balances other than (iii) above	13	167.55	95.39
(v) Loans	14	77.96	159.39
(vi) Other financial assets	15	7.57	41.37
Other current assets	16	900.83	1,788.54
Total current assets		**23,238.29**	**16,716.91**
Total assets		**45,317.15**	**40,584.28**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	349.96	349.44
Instruments entirely equity in nature	18	-	-
Other equity	19	30,800.76	22,436.63
Total equity		**31,150.72**	**22,786.07**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	1,263.18	1,857.74
(ii) Lease Liabilities	46	421.31	1,231.74
(iii) Other financial liabilities	21	3.50	54.25
Provisions	22	170.81	225.99
Deferred tax Liabilities (net)	23	1,154.37	704.18
Total non-current liabilities		**3,013.17**	**4,073.90**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	757.91	1,772.72
(ii) Lease Liabilities	46	383.46	762.88
(iii) Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises		394.87	282.87
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,526.52	8,861.22
(iv) Other financial liabilities	26	873.60	1,119.92
Provisions	27	59.32	27.15
Current tax liabilities (net)	28	383.46	13.72
Other current liabilities	29	774.12	883.83
Total current liabilities		**11,153.26**	**13,724.31**
Total liabilities		**14,166.43**	**17,798.21**
Total equity and liabilities		**45,317.15**	**40,584.28**

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: August 28, 2023

For and on behalf of Board of Directors

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Mumbai
Date: August 28, 2023

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: August 28, 2023

Capital Foods Private Limited
Statement of Profit and Loss for the year ended 31st March 2023
(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note	Year ended 31st March 2023	Year ended 31st March 2022
I.	Revenue from operations	30	70,554.70	57,417.16
II.	Other income	31	869.97	674.76
III.	**Total Revenue (I + II)**		**71,424.67**	**58,091.92**
IV.	**Expenses:**			
	Cost of materials consumed	32	33,855.66	26,914.07
	Purchase of Stock in Trade		127.10	1,718.60
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	7.84	1,803.51
	Employee benefits expense	34	6,436.30	6,965.81
	Finance costs	35	131.30	242.22
	Depreciation and amortization expense	3 & 4	1,469.48	2,074.21
	Other expenses	36	19,251.16	19,358.18
	Total expenses (IV)		**61,278.84**	**59,076.60**
V.	**Profit/ (Loss) before tax (III - IV)**		**10,145.83**	**(984.68)**
VI.	**Tax Expenses:-**			
	Current tax	37	2,206.61	-
	Earlier year tax	37	(2.55)	(17.11)
	Deferred tax	23 & 37	433.94	(224.48)
	Total tax expense / (credit) (VI)		**2,638.00**	**(241.59)**
VII.	**Profit/ (Loss) for the year (V-VI)**		**7,507.83**	**(743.09)**
VIII.	**Other Comprehensive Income**			
	Items that will not be reclassified to the statement of profit or loss			
	Gain/(Loss) on remeasurement of the defined benefit plans		64.58	(0.44)
	Income tax on above		(16.25)	0.11
	Total Other Comprehensive Income for the year (VIII)		**48.33**	**(0.33)**
IX.	**Total Comprehensive Income for the year (VII+VIII)**		**7,556.16**	**(743.42)**
	Earnings/ (Loss) per equity share [Nominal value per share: Rs. 10 (31st March 2022: Rs. 10)]	50		
	Basic (In Rs.)		214.64	(21.26)
	Diluted (In Rs.)		211.41	(21.26)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: August 28, 2023

For and on behalf of Board of Directors

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Mumbai
Date: August 28, 2023

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: August 28, 2023

Capital Foods Private Limited
Cash Flow Statement for the year ended 31st March 2023
(All amounts in Rs lakhs, unless stated otherwise)

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A.	**Cash Flow from Operating Activities**		
	Net Profit/ (Loss) before tax	**10,145.83**	**(984.68)**
	Adjustment for :		
	Depreciation and amortization expense	1,469.48	2,074.21
	Employee share-based payment expense	308.45	374.12
	Provision/ (reversal of provision) for doubtful debts	(40.38)	9.83
	Loss on disposal of assets (Net)	232.33	318.83
	Net gain on derecognition of Right of use assets	(123.61)	(17.84)
	Net gain arising on financial assets measured at fair value through profit or loss	(533.12)	(172.29)
	Net gain on sale of Investments	(144.57)	(260.00)
	Finance Cost	131.30	242.22
	Interest income	(27.10)	(38.94)
	Unwinding of discount on security deposits	(5.08)	(12.49)
	Deferred Income	-	(4.09)
	Effect of exchange rate changes (Net)	211.80	80.14
	Operating Profit before working capital changes	**11,625.33**	**1,609.02**
	Changes in Working Capital :		
	Decrease in Inventories	452.63	3,301.18
	(Increase)/ decrease in Trade Receivables	(1,136.38)	70.92
	(Increase)/ decrease in Loans and Advances	(12.59)	3.49
	Decrease/ (increase) in other financial assets	89.46	(7.71)
	Decrease/ (increase) in other assets	893.74	(27.20)
	Increase / (decrease) in Provisions	41.57	(2.05)
	Decrease in Trade Payables	(1,222.70)	(1,054.52)
	Decrease in Other financial liabilities	(16.52)	(845.72)
	(Decrease)/ increase in other liabilities	(109.71)	211.63
	Changes in working capital	**(1,020.50)**	**1,650.02**
	Cash generated from Operations	**10,604.83**	**3,259.04**
	Direct taxes paid (net)	(1,833.25)	(204.03)
	Net cash generated from operating activities (A)	**8,771.58**	**3,055.01**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, plant and equipment (including capital work- in- progress)	(985.75)	(4,273.44)
	Proceeds from sale of Property, plant and equipment and intangible assets	90.00	463.07
	Payment towards purchase of Right of use asset	-	(2,442.03)
	Purchase of investments	(8,350.09)	-
	Sale of investments	2,401.47	4,750.00
	Movement in bank balances other than cash and cash equivalents	(72.16)	3.83
	Inter corporate deposits matured	107.22	-
	Interest received	13.90	21.58
	Net cash used in investing activities (B)	**(6,795.41)**	**(1,476.99)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issue of equity shares	0.52	-
	Premium received on issue of equity shares	499.52	-
	Repayments of long term borrowings	(739.08)	(760.05)
	Short term borrowing taken	4,314.78	6,139.48
	Short term borrowing paid	(5,396.88)	(5,972.06)
	Payment of lease liabilities	(421.11)	(779.89)
	Finance costs	(132.20)	(243.22)
	Net cash used in financing activities (C)	**(1,874.45)**	**(1,615.74)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**101.72**	**(37.72)**
	Cash and cash equivalents at the beginning of the period (Refer Note 12)	**94.71**	**132.43**
	Cash and cash equivalents at the end of the period (Refer Note 12)	**196.43**	**94.71**

(All amounts in Rs lakhs, unless stated otherwise)

Notes

A) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

B) Change in financial liability arising from financing activities :-

Particulars	**Year ended 31st March 2023 #**	**Year ended 31st March 2022 #**
Borrowings :-		
Opening balance	3,630.46	4,142.95
Changes from financing cash flows	(1,821.18)	(592.63)
Other changes	211.81	80.14
Closing balance	**2,021.09**	**3,630.46**

For movement of lease liabilities, Refer Note 46.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.012754N / N500016

For and on behalf of Board of Directors

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: August 28, 2023

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Mumbai
Date: August 28, 2023

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: August 28, 2023

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2023

1 General information

The Company was incorporated on September 9, 2003 as Capital Foods Private Limited (CFPL) with its registered office in Mumbai (Oshiwara, Jogeshwari). Capital Foods Private Limited belongs to the FMCG sector and is engaged in processed food manufacturing business. Head Office of the company is located in Mumbai. The manufacturing plants are located at Kandla, Nahuli and Nashik.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

The Company has prepared financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets that is measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments measured at fair value.

(iii) New and amended standards adopted

The Ministry of Corporate Affairs had vide notification dated 23rd March, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1st April, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New and amended standard issued but not yet effective

The Ministry of Corporate Affairs has vide notification dated 31st March, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1st April 2023.
The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, *Presentation of financial statements* . The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.
These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(v) Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Revenue Recognition:

(i) Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.
In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Performance Obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Contract balances

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

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.

If the goods provided by the Company exceed the payments from customers, a contract asset is recognised. If the payments received exceed the goods provided, a contract liability is recognised (which we refer to as deferred revenue). The Company presents revenue net of Goods and Services Tax (GST) and trade discounts in its Statement of Profit and loss.

Income from duty drawback and premium of sale of import licences is recognised on an accrual basis.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

c) Property, Plant and Equipment

(i) Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

(ii) Depreciation method, estimated useful lives and residual value

Depreciation is provided on straight line method to allocate the cost of the assets, net of their residual values, over the estimated useful life of each asset. Assets are depreciated as per useful life specified in Part C of the Schedule II of the Act. The useful lives of the assets have been determined based on technical evaluation done by the management's expert and the following asset has a different useful life than prescribed by Schedule II of the Act taking into account the nature of assets, their estimated period of use and the operating conditions.

Asset	Useful life
Office Building	30 years

Leasehold improvements are amortised over the primary lease period.

The useful lives for the assets are in line with the useful lives indicated under Schedule II to the Companies Act, 2013. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. Net gains and losses are included in the statement of profit and loss within other income/ other expenses.

d) Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of intangible asset comprises its purchase price, other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on intangible asset after its purchase is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The cost of intangible assets is amortised on a straight line basis over its useful life of 3 years as estimated by the Management.

e) Impairment of Non - financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets under development are tested for impairment on an annual basis. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash in flows from other assets or Companys of assets (cash-generating units). Non- financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

f) Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

g) Investments and Other Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial asset.

(iii) Measurememt

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in statement of profit and loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognised under other income/ other expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss.

(iv) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The credit loss is difference between all contractual cashflows that are due to an entity in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.

For trade receivables, the company applies the simplified approach permitted by IndAS 109 “Financial Instruments”, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The losses arising from impairment are recognized in the Statement of Profit and Loss.

(v) Derecognition of financial assets

A financial asset is derecognized only when
- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cashflows of the financial asset, but assumes a contractual obligation to pay the cashflows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.
Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest Income

Interest income from a financial asset at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using effective interest method and is recognised in statement of profit and loss as part of other income.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial asset the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

Dividends are recognized as other income in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

h) Financial liabilities

(i) Classification as liability or equity

Financial liability and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Initial Recognition and Measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

(iii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

(iv) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

i) Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

j) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

k) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the Company's functional and presentation currency.

(ii) Transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.
Foreign exchange differences arising on foreign currency transactions are presented in the statement of profit and loss.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at FVOCI are recognised in other comprehensive income.

l) Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

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 tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The company measures its tax balances for uncertain tax positions either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and for unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously within the same jurisdiction.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to item recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

n) Employee Benefits

(i) Short-term employee benefits

Liabilities for wages and salaries and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations for earned leave are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Gratuity obligations (Defined Benefit Plan)

The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(iv) Defined contribution plans

The Company pays provident fund and pension contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a reduction in the future payments is available.

(v) Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:
a) including any market performance conditions
b) excluding the impact of any service and non-market performance vesting conditions
c) including the impact of any non-vesting conditions

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of ESOP that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in Statement of profit and loss, with a corresponding adjustment to equity.

o) Cash Flow Statement

Cashflows from operating activities are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cashflows. The cashflows from operating, investing and financing activities of the Company are segregated.

p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

q) Leases

As a lessee

The Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
a) fixed payments
b) amount expected to be payable under residual value guarantees
c) the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option
d) payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally, the case for lessees, the lessee's incremental borrowing rate used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

a) where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

b) uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
c) makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged in the Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

Right of use assets are measured at cost comprising the following:
a) the amount of the initial measurement of lease liability
b) any lease payments made at or before the commencement date,
c) any initial direct costs, and
d) restoration cost
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short term leases and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases where the lease term is 12 months or less.

r) Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognised in the Statement of profit and loss over the useful life of the related depreciable asset by way of reduced depreciation charge.

s) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

t) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value. The Company holds trade receivable with the objective to collect contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is conditional only upon passage of time. Revenue in excess of billings is recorded as unbilled revenue and is classified as a financial asset as only the passage of time is required before the payment is due. Invoicing in excess of earnings are classified as contract liabilities which is disclosed as deferred revenue. Trade receivables and unbilled revenue are presented net of impairment in the Balance Sheet.

u) Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

v) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss under other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period. Where there is a breach of material provision of a long term loan arrangement on or before the date of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before approval of the financial statements for issue, not to demand payment as a consequence of the breach.

w) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
Other borrowing costs are expensed in the period in which they are incurred.

x) Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

y) Dividends

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

z) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

aa) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two decimals as per the requirement of Schedule III, unless otherwise stated.

ab) Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgments are:

(i) Defined benefit obligations - Refer Note No. 2(n)
(ii) Fair value measurement of financial instruments - Refer Note No. 2(g)
(iii) Income taxes - Refer Note No. 2(m)
(iv) Share-based payment transactions - Refer Note No. 2(n)
(v) Right-of-use assets and lease liability - Refer Note No. 2(q)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2023
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

Sr. No.	Asset Group	Gross Block					Accumulated Depreciation					Net Block
		Balance as at 01st April 2022	Additions	Disposals	Adjustment/ Transfer	Balance as at 31st March 2023	Balance as at 01st April 2022	Depreciation / Amortization charge for the year	On disposals	Adjustment/ Transfer	Balance as at 31st March 2023	Balance as at 31st March 2023
(i)	Property plant and equipment (At cost or deemed cost)											
	Buildings	5,304.74	805.32	(23.41)	-	6,086.65	249.41	201.45	(1.41)	-	449.45	5,637.20
	Land - Freehold	828.10	-		-	828.10	-	-	-	-	-	828.10
	Plant and Equipment	8,046.72	467.35	(259.05)	-	8,255.02	1,109.60	571.43	(95.17)	-	1,585.86	6,669.16
	Vehicles	133.07	32.28	-	-	165.35	42.68	25.57	-	-	68.25	97.10
	Office equipment	251.11	6.85	(56.81)	-	201.15	72.34	41.23	(30.82)	-	82.75	118.40
	Computers	108.69	9.89	(6.49)	29.77	141.86	88.21	30.96	(4.94)	(9.61)	104.62	37.24
	Furniture and Fixtures	332.29	8.22	(78.30)	-	262.21	49.86	30.04	(18.20)	-	61.70	200.51
	Electrical Installation	784.00	76.35	(42.57)	-	817.78	99.45	78.47	(11.76)	-	166.16	651.62
	Total	**15,788.72**	**1,406.26**	**(466.63)**	**29.77**	**16,758.12**	**1,711.55**	**979.15**	**(162.30)**	**(9.61)**	**2,518.79**	**14,239.33**
(ii)	Intangible Assets (At cost or deemed cost)											
	Computer software	242.15	-	(0.05)	(29.77)	212.33	129.46	33.35	-	9.61	172.42	39.91
	Total	**242.15**	**-**	**(0.05)**	**(29.77)**	**212.33**	**129.46**	**33.35**	**-**	**9.61**	**172.42**	**39.91**
	Grand Total (i)+(ii)	**16,030.87**	**1,406.26**	**(466.68)**	**-**	**16,970.45**	**1,841.01**	**1,012.50**	**(162.30)**	**-**	**2,691.21**	**14,279.24**

Notes :

i) Refer Note 20 for information on property, plant and equipment pledged as security by the Company.

ii) Refer Note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2023
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

		Gross Block					Accumulated Depreciation					Net Block
Sr. No.	**Asset Group**	**Balance as at 01st April 2021**	**Additions**	**Disposals**	**Adjustment/ Transfer**	**Balance as at 31st March 2022**	**Balance as at 01st April 2021**	**Depreciation / Amortization charge for the year**	**On disposals**	**Adjustment/ Transfer**	**Balance as at 31st March 2022**	**Balance as at 31st March 2022**
(i)	**Property plant and equipment** (At cost or deemed cost)											
	Buildings	5,464.33	273.70	(433.29)	-	5,304.74	100.62	207.72	(58.93)	-	249.41	5,055.33
	Land - Freehold	828.10	-	-	-	828.10	-	-	-	-	-	828.10
	Plant and Equipment	5,945.71	2,316.33	(215.32)	-	8,046.72	484.84	658.72	(33.96)	-	1,109.60	6,937.12
	Vehicles	133.67	119.93	(120.53)	-	133.07	19.68	28.70	(5.70)	-	42.68	90.39
	Office equipment	176.37	79.71	(4.97)	-	251.11	32.28	40.34	(0.28)	-	72.34	178.77
	Computers	83.45	30.30	(5.06)	-	108.69	37.89	53.06	(2.74)	-	88.21	20.48
	Furniture and Fixtures	269.76	95.59	(33.06)	-	332.29	25.80	29.91	(5.85)	-	49.86	282.43
	Electrical Installation	869.98	27.67	(113.65)	-	784.00	42.35	93.62	(36.52)	-	99.45	684.55
	Total	**13,771.37**	**2,943.23**	**(925.88)**	**-**	**15,788.72**	**743.46**	**1,112.07**	**(143.98)**	**-**	**1,711.55**	**14,077.17**
(ii)	**Intangible Assets** (At cost or deemed cost)											
	Computer software	226.92	15.23	-	-	242.15	64.73	64.73	-	-	129.46	112.69
	Total	**226.92**	**15.23**	**-**	**-**	**242.15**	**64.73**	**64.73**	**-**	**-**	**129.46**	**112.69**
	Grand Total (i)+(ii)	**13,998.29**	**2,958.46**	**(925.88)**	**-**	**16,030.87**	**808.19**	**1,176.80**	**(143.98)**	**-**	**1,841.01**	**14,189.86**

Notes :

i) Additions during the year include borrowing costs amounting to Rs. Nil (31st March 2021 Rs. 6.04 Lakhs)
ii) Refer Note 20 for information on property, plant and equipment pledged as security by the Company.
iii) Refer Note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2023
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

Ageing of Capital work-in-progress

Particulars	As at 31st March 2023	As at 31st March 2022
Projects in progress:-		
Less than 1 year	483.52	2,799.36
1 – 2 years	1,618.59	38.71
2 – 3 years	18.69	-
More than 3 years	-	-
Total	**2,120.80**	**2,838.07**

Completion schedule for projects in Capital work-in-progress, which are overdue or has exceeded its cost compared to its original plan:-

Particulars	As at 31st March 2023	As at 31st March 2022
Projects in progress		
To be completed in :-		
Less than 1 year	1,829.95	224.87
1 – 2 years	-	-
2 – 3 years	-	-
More than 3 years	-	-
Total	**1,829.95**	**224.87**

Note : 4 : Right-of-use assets

Particulars	Lease hold land	Building	Total
As at 01st April 2021	**111.60**	**2,733.78**	**2,845.38**
Addition during the year	2,442.03	836.01	3,278.04
Deletion during the year	-	(569.91)	(569.91)
As at 31st March 2022	**2,553.63**	**2,999.88**	**5,553.51**
Addition during the year	-	552.66	552.66
Deletion during the year	-	(1,806.57)	(1,806.57)
As at 31st March 2023	**2,553.63**	**1,745.97**	**4,299.60**
Accumulated Depreciation			
As at 01st April 2021	**1.80**	**623.37**	**625.17**
Depreciation for the year	13.28	884.13	897.41
Deletion during the year	-	(346.85)	(346.85)
As at 31st March 2022	**15.08**	**1,160.65**	**1,175.73**
Depreciation for the year	26.45	430.53	456.98
Deletion during the year	-	(602.14)	(602.14)
As at 31st March 2023	**41.53**	**989.04**	**1,030.57**
Net Right of use assets			
As at 31st March 2022	**2,538.55**	**1,839.23**	**4,377.78**
As at 31st March 2023	**2,512.10**	**756.93**	**3,269.03**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2023
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 5 : Non-current Investments

Particulars	As at 31st March 2023	As at 31st March 2022
Non Trade Investment (Unquoted)		
National Savings Certificate	0.50	0.50
Total	**0.50**	**0.50**
Aggregate amount of unquoted investments	0.50	0.50
Aggregate amount of impairment in the value of investments	-	-

Note : 6 : Other financial assets (Non - current)

Particulars	As at 31st March 2023	As at 31st March 2022
Security Deposits (unsecured, considered good)	227.92	271.86
Total	**227.92**	**271.86**

Note : 7 : Income tax assets (net)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Income Tax [Net of Provision Rs. 2,243.32 Lakhs, (31st March 2022 - Rs. 2,449.65 Lakhs)]	575.85	576.92
Total	**575.85**	**576.92**

Note : 8 : Other non-current assets

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured, considered good (unless otherwise stated)		
Capital Advance	40.88	41.73
Deposits with Government Authorities [Refer note 41 (a)]	1,564.64	1,570.65
Total	**1,605.52**	**1,612.38**

Note : 9 : Inventories

Particulars	As at 31st March 2023	As at 31st March 2022
Raw materials	1,215.48	1,318.34
Packing materials	649.99	1,028.49
Work-in-progress	115.58	180.86
Finished goods (includes in transit: Rs. 40.27 Lakhs, 31st March 2022: Rs 335.73 Lakhs)	1,357.90	1,254.91
Stock in trade	-	45.55
Stores and consumables	87.58	51.01
(All above stocks are valued at Lower of Cost and Net realisable Value)		
Total	**3,426.53**	**3,879.16**

Write downs of inventories amounted to Rs. 695.33 Lakhs (31st March 2022: Rs. 1,096.65 Lakhs). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.

Note : 10 : Current Investments

Particulars	As at 31st March 2023	As at 31st March 2022
Investment in Mutual Funds **Unquoted (At fair value through profit or loss)**		
Aditya Birla Sun Life Liquid Fund - Growth 950,215 Units (as at 31st March 2022 - 1,047,019 Units)	3,450.07	3,592.59
Aditya Birla Sun Life Savings Fund - Growth 1,712,597 Units (as at 31st March 2022 - 883,458 Units)	8,036.03	3,919.74
ICICI Prudential Savings Fund Growth Direct 137,472 Units (as at 31st March 2022 - 217,312 Units)	635.94	951.20
ICICI Prudential Ultra Short Term Fund Growth Direct 9,501,577 Units (as at 31st March 2022 - 3,595,824 Units)	2,404.02	859.79
ICICI Prudential Money Market Fund - Direct Growth 438,956 Units (as at 31st March 2022 - Nil Units)	1,423.57	-
Total	**15,949.63**	**9,323.32**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March 2023
(All amounts in Rs. Lakhs, unless stated otherwise)

Aggregate amount of quoted investments at market value	-	-
Aggregate amount of unquoted investments	15,949.63	9,323.32
Aggregate amount of impairment in the value of investments	-	-

Note : 11 : Trade receivables

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured		
Considered good	2,532.92	1,390.08
Credit Impaired	23.70	30.16
	2,556.62	**1,420.24**
Less: Allowance for expected credit loss	(44.83)	(85.21)
Total	**2,511.79**	**1,335.03**

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2023							
i) Undisputed trade receivables- considered good	1,780.24	730.16	1.39	-	-	-	2,511.79
ii) Undisputed trade receivables- considered doubtful	4.88	6.03	1.68	12.25	16.60	3.39	44.83
iii) Disputed trade receivables- considered good	-	-	-	-	-	-	-
iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
As at 31st March 2022							
i) Undisputed trade receivables- considered good	660.88	659.55	14.60	-	-	-	1,335.03
ii) Undisputed trade receivables- considered doubtful	5.83	28.15	16.82	30.51	3.21	0.69	85.21
iii) Disputed trade receivables- considered good	-	-	-	-	-	-	-
iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-

Note : 12 : Cash and cash equivalents

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalents		
Balance in current accounts	196.10	93.88
Cash on hand	0.33	0.83
Total	**196.43**	**94.71**

Note : 13 : Bank balances other than cash and cash equivalents

Particulars	As at 31st March 2023	As at 31st March 2022
Deposits with maturity of more than three months but less than 12 months ^	167.55	95.39
Total	**167.55**	**95.39**

^ Held as security against bank guarantees - Rs. 153.76 lakhs (31st March 2022 : Rs. 90.92 lakhs).

Note : 14 : Loans (Current)

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured, considered Good		
Inter corporate deposits (ICD) ^	60.21	154.23
Loans to employees	17.75	5.16
Total	**77.96**	**159.39**

^ The Inter corporate deposits (including interest) had fallen due during the year and same has been renewed. The amount is expected to be settled in the financial year 2023-24.

Capital Foods Private Limited
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Note : 15 : Other financial assets (current)

Particulars	As at 31st March 2023	As at 31st March 2022
Other Receivables	7.57	41.37
Total	**7.57**	**41.37**

Note : 16 : Other current assets

Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured, considered Good		
Balance with Government Authorities	408.77	1,140.53
Export and modvat benefit receivable	70.10	352.07
Prepaid Expenses	339.77	184.76
Advance to Employees	5.95	18.51
Advance to Suppliers	76.24	92.67
Total	**900.83**	**1,788.54**

Note : 17 : Equity share capital

Particulars	As at 31st March 2023	As at 31st March 2022
Authorised 20,750,000 (31st March 2022: 20,750,000) Equity Shares of Rs. 10 each	2,075.00	2,075.00
Issued, Subscribed and Paid up 3,499,619 (31st March 2022: 3,494,433) Equity Shares of Rs. 10 each	349.96	349.44
Total	**349.96**	**349.44**

a. Reconciliation of the number of shares:
Equity Shares

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	Rs. In Lakhs	Number of Shares	Rs. In Lakhs
Balance as at the beginning of the year	34,94,433	349.44	34,94,433	349.44
Add: Issued during the year	5,186	0.52	-	-
Balance as at the end of the year	34,99,619	349.96	34,94,433	349.44

b. Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

% of Shareholding	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	% Holding	Number of Shares	% Holding
Equity Shares				
Artal Asia Pte Ltd.	13,95,700	39.88%	13,95,700	39.94%
General Atlantic Singapore CF Pte Ltd	12,38,203	35.38%	12,38,203	35.43%
Wildflower Private Trust	7,71,430	22.04%	7,71,430	22.08%

c. Details of shareholding of promoters:

Particulars	Number of equity shares	Percentage of total number of shares	Percentage of change during the year
As at 31st March 2022			
Ajay Kumar Gupta	89,100	2.55%	-
Wildflower Private Trust	7,71,430	22.08%	-
Total	**8,60,530**	**24.63%**	**-**
As at 31st March 2023			
Ajay Kumar Gupta	89,100	2.55%	0.00%
Wildflower Private Trust	7,71,430	22.04%	-0.04%
Total	**8,60,530**	**24.59%**	-0.04%

d. Terms/rights attached to equity shares.

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Note : 18 : Instruments entirely equity in nature

Particulars	As at 31st March 2023	As at 31st March 2022
Authorised 20,000,000 (31st March 2022: 20,000,000) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	2,000.00	2,000.00
Issued, Subscribed and Paid up Nil (31st March 2022: Nil) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	-	-
Total	-	-

Note : 19 : Other equity

Particulars	As at 31st March 2023	As at 31st March 2022
Securities premium	13,813.86	13,314.34
Retained earnings	14,581.65	7,025.49
ESOP reserve	2,405.25	2,096.80
Total	**30,800.76**	**22,436.63**

Refer statement of changes in equity for detailed movement in other equity balance.

Nature and purpose of each reserve :

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

ESOP reserve - This represents the fair value of the stock options granted by the Company under the ESOP Plan accumulated over the vesting period. The reserve will be utilised on exercise of the options.

Note : 20 : Borrowings (non - current)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured Loans:		
Term Loans from a bank		
Foreign Currency Loans	1,263.18	1,857.74
Total	**1,263.18**	**1,857.74**

Nature of security and terms of repayment for secured borrowing

Nature of Security	Terms of Repayment
Foreign Currency Term loan - 3, amounting to Rs. 1,707.77 lakhs # (31st March 2022: Rs. 2,158.40 lakhs#)	Repayable in 60 monthly installments beginning from December 2020, till November 2025. The loan carry fixed interest rate of 1.95% p.a. (31st March 2022: 1.95% p.a.)
Foreign Currency Term loan - 4, amounting to Rs. 313.32 lakhs# (31st March 2022: Rs. 395.99 lakhs#)	Repayable in 60 monthly installments beginning from December 2020, till November 2025 The loan carry fixed interest rate of 1.95% p.a. (31st March 2022: 1.95% p.a.)
The amount mentioned include installments falling due within a year aggregating to Rs 757.91 Lakhs (31st March 2022: Rs 696.65 Lakhs) have been grouped under current maturities of long-term debts under current borrowings (Refer note 24)	
# first and exclusive hypothecation charge on all existing and future current assets and moveable fixed assets including tangible and intangible assets of the Company; and first and exclusive Equitable/ Registered mortgage charge on immoveable properties belonging to the Company (i.e. Land and building at Nashik Plant and Nahuli Plant).	

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(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 21 : Other financial liabilities (non -current)

Particulars	As at 31st March 2023	As at 31st March 2022
Security Deposits (unsecured, considered good)	3.50	54.25
Total	**3.50**	**54.25**

Note : 22 : Provisions (non - current)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits		
Compensated Absences (Refer Note 43)	170.81	225.99
Total	**170.81**	**225.99**

Note : 23 : Deferred tax Liabilities (Net)

Particulars	Opening balance as at 01st April 2021	Charged/ (credited) to Profit or Loss	Charged/ (credited) to Other Comprehensive Income	Closing balance as at 31st March 2022
Deferred tax liabilities / (asset) in relation to				
Difference between written down value of property, plant and equipment, intangible assets as per books of accounts and income tax	345.58	55.96	-	401.54
Difference in carrying value and tax base of financial assets of investments	318.60	43.36	-	361.96
Right-of-use assets	531.15	(68.25)	-	462.90
Others	367.40	3.14	-	370.54
Disallowances under Sections 40(a)(i) and 43B of the Income Tax Act, 1961	(83.09)	(2.07)	-	(85.16)
Unabsorbed depreciation & business loss	-	(208.97)	-	(208.97)
Employee share based payment	-	(94.16)	-	(94.16)
Lease liabilities	(548.51)	46.51	-	(502.00)
Remeasurement of the defined benefit plans through OCI	(2.36)	-	(0.11)	(2.47)
Deferred tax liability (Net)	**928.77**	**(224.48)**	**(0.11)**	**704.18**

Particulars	Opening balance as at 01st April 2022	Charged/ (credited) to Profit or Loss	Charged/ (credited) to Other Comprehensive Income	Closing balance as at 31st March 2023
Deferred tax liabilities / (asset) in relation to				
Difference between written down value of property, plant and equipment, intangible assets as per books of accounts and income tax	401.54	122.46	-	524.00
Difference in carrying value and tax base of financial assets of investments	361.96	134.18	-	496.14
Right-of-use assets	462.90	(272.40)	-	190.50
Others	370.54	2.95	-	373.49
Disallowances under Sections 40(a)(i) and 43B of the Income Tax Act, 1961	(85.16)	15.95	-	(69.21)
Unabsorbed depreciation & business loss	(208.97)	208.97	-	-
Employee share based payment	(94.16)	(77.63)	-	(171.79)
Lease liabilities	(502.00)	299.46	-	(202.54)
Remeasurement of the defined benefit plans through OCI	(2.47)	-	16.25	13.78
Deferred tax liability (Net)	**704.18**	**433.94**	**16.25**	**1,154.37**

Note : 24 : Borrowings (current)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured		
Working Capital foreign currency loans	-	1,076.07
Current maturities of long-term debt (Refer Note 20)	757.91	696.65
Total	**757.91**	**1,772.72**

Nature of security and terms of repayment for secured borrowing

Nature of Security	Terms of Repayment
Packing Credit limit from a Bank, amounting to Rs. Nil (31st March 2022: Rs. 1076.07 lakhs) [For Security Terms refer Note 20]	Repayable within 90 days. The loan carries interest rate of SOFR plus 1.0 % p.a. as at 31st March 2023 (i.e. 2.42% p.a.) [31st March 2022 - Libor plus 1-1.52 % p.a. (i.e 1.12% p.a)].

Note : 25 : Trade payables

Particulars	As at 31st March 2023	As at 31st March 2022
Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 47)	394.87	282.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,526.52	8,861.22
Total	**7,921.39**	**9,144.09**

Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2023						
i) MSME	381.15	13.72	-	-	-	394.87
ii) Others	3,081.98	975.26	19.42	3.21	-	4,079.87
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
As at 31st March 2022						
i) MSME	185.58	97.29	-	-	-	282.87
ii) Others	1,731.74	3,676.52	15.54	5.97	-	5,429.77
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Unbilled dues are Rs. 3,446.65 Lakhs as on 31st March 2023, (Rs. 3,431.45 Lakhs as on 31st March 2022).

Note : 26 : Other financial liabilities (current)

Particulars	As at 31st March 2023	As at 31st March 2022
Capital Creditors	7.58	287.23
Retention money payable	67.85	181.59
Employee Benefits payable	794.78	646.81
Interest accrued but not due on borrowing	3.39	4.29
Total	**873.60**	**1,119.92**

Note : 27 : Provisions (current)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits		
Compensated Absences (Refer Note 43)	59.32	27.15
Total	**59.32**	**27.15**

Note : 28 : Current tax liabilities (Net)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Taxation [Net of Advance Tax Rs. 1,823.15 Lakhs (31st March 2022 - Rs. 147.98 Lakhs)]	383.46	13.72
Total	**383.46**	**13.72**

Note : 29 : Other current liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory Dues	480.48	221.04
Advance received from Customers	293.64	662.79
Total	**774.12**	**883.83**

Note :- Statutory dues includes provident fund contribution payable which is delayed due to inability of few employees to link Aadhar with UAN number in PF portal, consequently the requisite amount for these specific employees currently stands as outstanding as on 31 March 2023. The company has submitted requisite documents in PF department, once RPFC enables the same at their portal the appropriate dues will get deposited.

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(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 30 : Revenue from operations

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Revenue from contracts with customers	70,240.03	57,225.30
	70,240.03	**57,225.30**
Other Operating Revenue		
Scrap Sales	169.36	135.60
Export Incentives	145.31	56.26
Total	**70,554.70**	**57,417.16**

Note : 31 : Other income

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Interest Income	27.10	38.94
Unwinding of discount on security deposits	5.08	12.49
Net gain on sale of investments	144.57	260.00
Net gain on derecognition of Right of use asset	123.61	17.84
Net gain arising on financial assets measured at fair value through profit or loss	533.12	172.29
Net gain on foreign currency transaction	-	25.35
Miscellaneous Income	36.49	147.85
Total	**869.97**	**674.76**

Note : 32 : Cost of materials consumed

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Cost of Raw Material and Packing Material Consumed		
Cost of Raw Material Consumed	22,316.92	18,095.72
Cost of Packing Material Consumed	11,538.74	8,818.35
Total	**33,855.66**	**26,914.07**

Note : 33 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Work in Progress		
Opening stock of Work in progress	180.86	168.56
Closing stock of Work in progress	115.58	180.86
	65.28	**(12.30)**
Finished Goods and Stock-in-trade		
Opening stock of Finished goods and Stock-in-trade	1,300.46	3,116.27
Closing stock of Finished goods and Stock-in-trade	1,357.90	1,300.46
	(57.44)	**1,815.81**
Total	**7.84**	**1,803.51**

Note : 34 : Employee benefits expense

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Salaries, wages and bonus	5,738.15	6,123.05
Gratuity (Refer Note 43)	111.88	87.59
Contribution to provident & Other funds (Refer Note 43)	181.42	270.06
Staff welfare expenses	96.40	110.99
Employee share-based payment expense (Refer Note 52)	308.45	374.12
Total	**6,436.30**	**6,965.81**

Note : 35 : Finance costs

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Interest on borrowings	64.59	68.33
Interest - Others	0.11	0.41
Interest on Lease Liabilities	66.60	167.78
Other borrowing costs	-	5.70
Total	**131.30**	**242.22**

(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 36 : Other expenses

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Power & Fuel	1,493.60	1,517.17
Labour Charges	1,235.62	1,324.71
Consumable Stores	215.26	252.59
Legal and Professional Fees	3,410.21	2,604.94
Rent (Refer Note 46)	82.88	116.09
Rates & Taxes	4.62	18.45
Insurance	228.41	291.54
Repairs and Maintenance	275.46	292.15
Auditor's Remuneration [Refer Note 36 (a)]	77.25	68.70
Loss on Disposal of Assets (Net)	232.33	318.83
Advertisement Expenses	5,189.45	4,640.60
Sales Promotion Expenses	418.37	1,093.81
Freight Outward	3,566.06	3,667.25
Printing and Stationery	13.38	25.42
Travel and Conveyance	938.78	828.58
Warehousing and handling charges	215.49	492.21
Net loss on foreign currency transaction	68.33	-
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 44)	-	76.00
Provision for Doubtful debts	(40.38)	9.83
Miscellaneous expenses	1,626.04	1,719.31
Total	**19,251.16**	**19,358.18**

Note 36 (a) - Auditor's Remuneration

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Statutory Audit Fees	24.25	30.50
Tax Audit Fees	1.75	1.50
Other Services	49.06	36.40
Reimbursement of expenses	2.19	0.30
Total	**77.25**	**68.70**

Note : 37 : Tax reconciliation

Income tax expense

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Current tax		
Current tax on profit for the year	2,206.61	-
Adjustment to current tax of prior periods	(2.55)	(17.11)
Total current tax expenses	**2,204.06**	**(17.11)**
Deferred tax expenses/(credit)	**433.94**	**(224.48)**
Income tax expense recognised in the Statement of Profit and Loss	**2,638.00**	**(241.59)**

Reconciliation of tax expense

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Profit / (Loss) before tax	**10,145.83**	**(984.68)**
Income tax expense calculated at 25.168% #	2,553.50	(247.82)
Tax effect on non-deductible expenses	83.90	23.45
Effect of indexation benefit on Long term capital gains	(13.10)	-
Earlier year tax adjustment	(2.55)	(17.11)
Others	16.25	(0.11)
Income tax expense recognised in the Statement of Profit and Loss	**2,638.00**	**(241.59)**

The tax rate used for reconciliation above is the corporate tax rate at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

(All amounts in Rs. Lakhs, unless stated otherwise)

38 Fair Value Measurement

(a) Financial instruments by category :

Particulars	As at 31st March 2023		As at 31st March 2022	
	Fair value through Profit or Loss	Amortised Cost	Fair value through Profit or Loss	Amortised Cost
Financial assets				
Investments				
- Mutual funds	15,949.63	-	9,323.32	-
- National saving certificate	-	0.50	-	0.50
Trade receivables	-	2,511.79	-	1,335.03
Cash and cash equivalents	-	196.43	-	94.71
Bank balances other than cash and cash equivalents	-	167.55	-	95.39
Loans	-	77.96	-	159.39
Security deposits	-	227.92	-	271.86
Other receivables	-	7.57	-	41.37
Total	**15,949.63**	**3,189.72**	**9,323.32**	**1,998.25**
Financial liabilities				
Borrowings	-	2,021.09	-	3,630.46
Lease liabilities	-	804.77	-	1,994.62
Trade payables	-	7,921.39	-	9,144.09
Security deposits	-	3.50	-	54.25
Capital creditors	-	7.58	-	287.23
Retention money payable	-	67.85	-	181.59
Employee Benefits payable	-	794.78	-	646.81
Interest accrued but not due on borrowing	-	3.39	-	4.29
Total	**-**	**11,624.35**	**-**	**15,943.34**

(b) Fair Value Hierarchy:

Financial assets and liabilities measured at fair value

Particulars	Level 1	Level 2	Level 3
Financial assets			
Investments			
Mutual Funds			
As at 31st March, 2023	15,949.63	-	-
As at 31st March, 2022	9,323.32	-	-

Level 1: Includes financial instruments measured using market prices. This includes mutual funds that have market price. The mutual funds are valued using the closing NAV.

Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable inputs for the asset or liability.

There are no transfers between levels during the year.

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

39 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

A. Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in various countries. Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Movement in the expected credit loss allowance on trade receivables

Particulars	Amount
Loss allowance as on 01st April 2021	75.38
Changes in loss allowance	9.83
Loss allowance as on 31st March 2022	85.21
Changes in loss allowance	(40.38)
Loss allowance as on 31st March 2023	44.83

Loss allowance as at 31st March 2023 and 31st March 2022 was determined as follows for trade receivables and contract assets under the simplified approach:

As at 31st March 2023	Gross carrying amount – trade receivables	Expected loss rate	Expected credit losses– trade receivables	Carrying amount of trade receivables (net of impairment)
Not due	1,785.12	0.27%	4.88	1,780.24
1-60'	707.47	0.51%	3.62	703.85
61-120	21.80	6.38%	1.39	20.41
121-180	6.92	14.77%	1.02	5.90
181-240	1.64	28.82%	0.47	1.17
241-300	0.56	65.55%	0.37	0.19
301-360	0.87	96.71%	0.84	0.03
More than 360 days	32.24	100.00%	32.24	-
Total	**2,556.62**		**44.83**	**2,511.79**

As at 31st March 2022	Gross carrying amount – trade receivables	Expected loss rate	Expected credit losses– trade receivables	Carrying amount of trade receivables (net of impairment)
Not due	666.71	0.87%	5.83	660.88
1-60'	456.04	0.64%	2.91	453.13
61-120	223.11	10.43%	23.26	199.85
121-180	8.55	23.13%	1.98	6.57
181-240	19.80	38.28%	7.58	12.22
241-300	7.10	68.07%	4.83	2.27
301-360	4.52	97.56%	4.41	0.11
More than 360 days	34.41	100.00%	34.41	-
Total	**1,420.24**		**85.21**	**1,335.03**

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with good credit ratings. No expected credit loss allowance has been created for security deposits and investments in mutual funds, since the Company considers the lifetime credit risk of these financial assets to be very low.

B. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised borrowing facilities from banks of Rs. 6,109.25 Lacs as on March 31, 2023 and Rs. 4,383.18 Lacs as on March 31, 2022.

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	As at 31st March 2023			
	Less than 1 year	**Between 1 and 3 years**	**More than 3 years**	**Total**
Non-Derivatives				
Borrowings	757.91	1,263.18	-	2,021.09
Lease liabilities	383.46	421.31	-	804.77
Trade payables	7,921.39	-	-	7,921.39
Others	873.60	-	3.50	877.10
	9,936.36	**1,684.49**	**3.50**	**11,624.35**

Particulars	As at 31st March 2022			
	Less than 1 year	**Between 1 and 3 years**	**More than 3 years**	**Total**
Non-Derivatives				
Borrowings	1,772.72	1,393.31	464.43	3,630.46
Lease liabilities	762.88	914.33	317.41	1,994.62
Trade payables	9,144.09	-	-	9,144.09
Others	1,119.92	-	54.25	1,174.17
	12,799.61	**2,307.64**	**836.09**	**15,943.34**

C. Market Risk

a) Foreign currency risk exposure

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses and foreign currency borrowings. To mitigate the risk of changes in exchange rates on foreign currency exposures, the company has natural hedge between foreign currency receivables and payables.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

(Rs. in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	USD	Others	USD	Others
Financial assets				
Trade receivables	1,479.10	-	1,261.73	-
Cash and cash equivalents	64.64	-	30.49	-
Total	**1,543.74**	**-**	**1,292.22**	**-**
Financial liabilities				
Borrowings	2,021.09	-	3,630.46	-
Trade payables	58.66	26.26	64.38	20.65
Total	**2,079.75**	**26.26**	**3,694.84**	**20.65**

Sensitivity

For the years ended March 31, 2023 and March 31, 2022 every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would increase the Company's profit by approximately Rs. 28.11 Lakhs and decrease the Company's loss by approximately Rs. 121.16 Lakhs respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

b) Interest rate Risk

The Company has certain loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The Company's Treasury Department monitors the interest rate movement and manages the interest rate risk by evaluating the market / risk perception.

For the years ended March 31, 2023 and March 31, 2022, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase the Company's profit by Rs. Nil and decrease the Company's loss by approximately Rs. 5.38 Lakhs respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

40 Capital Management

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Debt equity ratio	As at 31st March 2023	As at 31st March 2022
Net Debt (includes non-current, current borrowings and lease liabilities net off Cash and cash equivalents)	2,629.43	5,530.37
Total equity (including reserves)	31,150.72	22,786.07
Debt equity ratio	0.08	0.24

41 Contingent Liabilities

(To the extent not provided for)

a) Claims against the Company not acknowledged as debt:

Particulars	As at 31st March 2023	As at 31st March 2022
Sales Tax matters#	3,563.03	3,731.82
Income Tax matters*	28.20	28.20
Other matters	3.28	3.28

#The Company has received various demands against Sales tax matters for the financial year 2009-10 to 2013-14 in respect of non submission of statutory forms, classification of products and predetermined interstate sales amounting to Rs. 3,563.03 Lakhs. Future cash flows in respect of the above, if any, is determine only on the receipt of judgements/decisions pending with the relevant authorities.

* The Company has received a favorable order of gross demand of the A.Y. 2008-09, amounting to Rs. 28.20 Lakhs from the ITAT as on 2013. However, the department has filed an appeal in the Bombay High Court against the order.

b) Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty on the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

c) The Company had entered into a contract manufacturing arrangement with a Vendor effective from 1 July 2021, with a lock in period of 21 months. Vendor is presently holding company's certain equipment and security deposit, as part of understanding. Subsequently Agreement was terminated by the Company, on 3 May 2022 on account of various defaults/breaches by Vendor. Vendor has claimed Rs. 435 lakhs (approx) as a result of said termination. Currently the case is pending before the High Court of Himachal Pradesh. The Company is contesting the dispute and also has initiated suitable proceedings under law. The Company strongly believes based on its independent legal counsel and of its internal assessment that it has favourable legal arguments in terms of defending any potential claim.

42 Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Estimated value of contracts in capital account remaining to be executed [Net of Advance of Rs. 30.90 (31st March, 2022: 50.54)]	144.64	676.24

43 Employee Benefits Plans

(i) Defined contribution plan

The Company makes contributions to Provident Fund and Employee's Pension Scheme, 1995. The contributions payable under this scheme by the Company are at rates specified in the rules of the scheme. The Company has no further obligation towards the scheme beyond the aforesaid contributions. The Company has recognised the following amounts in the Statement of Profit and Loss.

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Amount recognised in the statement of profit and loss :-		
(i) Contribution to provident fund	180.38	267.91
(ii) Contribution to ESIC	1.04	2.15

(ii) Defined benefit plan :

A) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund.

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Actuarial assumptions for defined benefit plan :-		
Discount rate	7.52% p.a.	7.23% p.a.
Expected return on plan assets	7.52% p.a.	7.23% p.a.
Salary escalation	6.00% p.a.	6.00% p.a.
Attrition rate	4.00% p.a.	4.00% p.a.
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Change in Defined Benefit Obligation (DBO) during the year

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Obligation as at the beginning of the year	412.57	392.33
Current Service cost	64.48	71.28
Interest Cost	29.83	26.68
Actuarial (Gains)/Losses		
- due to change in demographic assumptions	-	(0.10)
- due to change in financial assumptions	(8.27)	(13.35)
- due to experience	(62.65)	7.06
Benefits paid	(26.19)	(71.33)
Obligation as at the year end	**409.77**	**412.57**

Reconciliation of plan assets

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Balance at the beginning of the year	436.08	399.07
Expected return on plan assets	31.53	27.14
Actuarial Gains/ (Losses)	(6.34)	(6.83)
Contribution by the Company	47.31	88.03
Benefits paid	(26.19)	(71.33)
Balance at the end of the year	**482.39**	**436.08**

Net Liability / (Asset) recognised in Balance Sheet

Particulars	As at 31st March 2023	As at 31st March 2022
Present Value of Obligation	409.77	412.57
Fair Value of Plan Assets	409.77	412.57
Liability /(Asset) recognised in the Balance Sheet ^	-	-
(i) Current	-	-
(ii) Non Current	-	-

^ Excess of fair value of plan asset over present value of obligation amounting to Rs. 72.62 Lakhs had been expensed of to the Statement of Profit and Loss (Rs. 49.11 Lakhs during the year ended 31st March 2023 and Rs. 23.51 lakhs upto 31st March 2022).

(All amounts in Rs. Lakhs, unless stated otherwise)

Expense recognised in Statement of Profit and Loss

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Current Service Cost	64.48	71.28
Interest Cost	29.83	26.68
Expected return of Plan Assets	(31.53)	(27.14)
Expenses recognised	**62.78**	**70.82**

Remeasurement of defined benefit obligation recognised in Other Comprehensive Income

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Actuarial (Gain)/Loss on defined benefit obligation	(70.92)	(6.39)
Actuarial (Gain)/Loss on plan assets	6.34	6.83
Total amount recognised in other comprehensive income	**(64.58)**	**0.44**

Major Category of Plan Assets

The defined benefit plan of the Company is funded and the Company makes contribution to recognised funds (Insurance funds) in India.

Insurance Fund	100%	100%

Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Delta Effect of +1% Change in Rate of Discounting	(26.10)	(28.08)
Delta Effect of -1% Change in Rate of Discounting	30.00	32.38
Delta Effect of +1% Change in Rate of Salary Increase	29.14	31.38
Delta Effect of -1% Change in Rate of Salary Increase	(26.12)	(27.85)
Delta Effect of +1% Change in Rate of Employee Turnover	1.92	0.82
Delta Effect of -1% Change in Rate of Employee Turnover	(2.29)	(1.16)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Risk Exposure

a) Interest rate risk : A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

b) Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

d) Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

e) Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

f) Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company.

Maturity analysis of projected benefit obligation

Particulars	As at 31st March 2023	As at 31st March 2022
Year 1	84.40	56.02
Year 2	20.58	36.33
Year 3	25.43	39.13
Year 4	28.38	25.28
Year 5	25.76	28.05
Year 6-10	194.65	181.87
Year 11 and above	430.01	454.60

B) Compensated absence

Particulars	As at 31st March 2023	As at 31st March 2022
Amount recognised in the balance sheet:		
Non-current	170.81	225.99
Current	59.32	27.15

44 Corporate Social Responsibility Expenditure (CSR)

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Amount required to be spent by the Company	-	75.92
Amount spent by the Company		
i) Construction / acquisition of any asset	-	-
ii) On purpose other than (i) above	56.10	76.00
Amount of shortfall	-	-
Amount of cumulative shortfall	-	-
Excess amount spent for the financial year	56.10	-
Amount available for set off in succeeding financial years	56.10	-
Nature of CSR activities		
Contribution for educational purposes	56.10	76.00

45 Revenue from contract with customers

The reconciling items of revenue recognised in the statement of profit and loss with the contracted price are as follows :-

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Revenue as per contracted price, net of returns	74,871.92	63,647.54
Less:-		
Provision for sales return	2,072.43	1,700.04
Rebates, discounts, claims and others	2,559.46	4,722.20
Revenue from contract with customers	70,240.03	57,225.30

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Contract balances		
Trade receivables	2,511.79	1,335.03
Contract liabilities	293.64	662.79

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

The Company has recognized revenue of Rs. 662.79 Lakhs (31st March 2022: Rs. 234.85 Lakhs) from the amounts included under advance received from customers at the beginning of the year.

46 Leases

The Company has applied lnd AS 116 "Leases" to all lease contracts using the modified retrospective method. Accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has excercised judgement in determining whether extension and termination options are reasonably certain to be excercised. Expenses relating to short-term leases and low-value assets for year ended 31st March 2023 is Rs. 21.30 Lakhs (31st March 2022 : Rs. 74.65 Lakhs).

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Lease liabilities - maturity analysis - contractual undiscounted cashflows		
Not later than one year	427.46	911.77
Later than one year and not later than five years	440.19	1,206.79
Later than five years	-	166.06
	867.65	**2,284.62**

Particulars	**Year ended 31st March 2023**	**Year ended 31st March 2022**
Movement of lease liabilities		
Opening balance	1,994.62	2,179.40
Add:- Addition	545.38	836.01
Add:- Interest on lease liabilities	66.60	167.78
Less:- Deletion	1,314.11	240.90
Less:- Payment towards lease liabilities	487.72	947.67
Closing balance	**804.77**	**1,994.62**

47 Disclosure as required by the Micro, Small & Medium Enterprises Development Act, 2006 are as under

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures pursuant to the said MSMED Act are as follows:

(All amounts in Rs. Lakhs, unless stated otherwise)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	394.24	282.21
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.63	0.66
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	217.98	97.60
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.63	0.66
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

48 Segment Reporting

The Chief Operating Decision Maker ('CODM') evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Company's reportable segments are "Within India" and "Outside India". The reportable segments derives their revenues from the sale of "Processed Foods".

Particulars	Year ended 31st March 2023		Year ended 31st March 2022	
	Within India	Outside	Within India	Outside
Revenue from Operations	58,472.55	12,082.15	49,784.72	7,632.44
Carrying amount of segment assets *	44,332.53	-	38,866.83	-
Capital Expenditure	688.99	-	4,824.96	-

* Excluding Advance income tax and Balance with government authorities

49 Related party disclosures

Names of related parties and nature of relationship

Entities having a signifcant influence	Artal Asia Pte Ltd.* General Atlantic Singapore CF Pte Ltd* Wildflower Private Trust*
Key Management Personnel	Navin Tewari, Managing Director (wef 1st January 2021 to 20th January 2022) Ajay Kumar Gupta, Chairman and Whole Time Director Raghunandan Sathyanarayan Rao, Chief Executive Officer (CEO) [he has been CEO upto 31st March 2023]
Directors	Francis Cukierman* Shantanu Rastogi*

* There are no transactions with the parties

Disclosure of transactions with related parties during the year and outstanding balance as at the year end:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A) Transaction during the year with the Key Management Personnel		
Remuneration	1,257.75	685.24
Share based payment expenses *	-	(116.43)
Issue of equity share capital	500.03	-
The following table shows the break up of remuneration :-		
Ajay Gupta	759.02	251.73
Other	498.73	433.51

Key Management Personnel (KMP) who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

* Reversal in charge during the year ended 31 March 2022 is due to lapse of stock options to key managerial personnel.

(All amounts in Rs. Lakhs, unless stated otherwise)

50 Earnings Per Share

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Earnings/ (Loss) Per Share:		
Basic		
Profit / (Loss) after tax	7,507.83	(743.09)
Nominal value of shares outstanding	10.00	10.00
Weighted average number of shares outstanding	34,97,886	34,94,433
Basic (In Rs.)	214.64	(21.26)
Diluted		
Profit / (Loss) after tax	7,507.83	(743.09)
Nominal value of shares outstanding	10.00	10.00
Weighted average number of shares outstanding	34,97,886	34,94,433
Add: Weighted average number of potential equity shares on account of employee stock options *	53,470	-
Weighted average number of shares outstanding for diluted Earning Per Shares	35,51,356	34,94,433
Diluted (In Rs.)	211.41	(21.26)

* Stock Options are excluded from calculating weighted average number of outstanding equity shares for the purpose of diluted EPS for the year ended March 31, 2022 as these are anti dilutive.

51 Financial Ratios

Ratios and Formulae	31st March 2023	31st March 2022	% Variance	Reason for variance
(i) Current Ratio = (Current assets / Current liabilities)	2.08	1.22	70.49%	Change due to improved working capital.
(ii) Debt-equity ratio = (Total debt/ Shareholder's equity)	0.06	0.16	-62.50%	Change due to reduction in debt and increase in equity.
(iii) Debt service coverage ratio = (Profit before tax +Depreciation+ Interst on long term loans) / (Finance cost + Principal repayments made during the period for long term debt)	14.86	1.40	961.43%	Change due to higher contribution and profitability.
(iv) Return on equity ratio % = (Net profit after tax/ Average shareholder's equity)	27.84%	-3.23%	960.58%	Change due to higher contribution and profitability.
(v) Inventory turnover ratio = (Cost of goods sold / Average inventory)	9.31	5.50	69.27%	Change due to reduction in avergae inventory.
(vi) Trade receivables turnover ratio = (Net sales / Average trade receivables)	36.52	41.61	-12.23%	
(vii) Trade payables turnover ratio = (Net purchases / Average trade payables)	11.64	9.26	25.70%	Change due to higher purchases and reduction in avergae trade payable.
(viii) Net capital turnover ratio = (Net sales / Average working capital)	9.32	9.62	-3.12%	
(ix) Net profit ratio margin % = (Net profit after tax / Revenue from operations)	10.64%	-1.29%	922.22%	Change due to higher contribution and profitability.
(x) Return on capital employed % = [(Earning before interest and tax)/ (Capital Employed)] (Capital Employed = Total assets - Current liabilities)	30.08%	-2.76%	1188.27%	Change due to higher contribution and profitability.
(xi) Return on investment % = [(Net profit after tax)/ (Capital invested)] (Capital invested = Debt+Equity)	22.63%	-2.81%	904.60%	Change due to higher contribution and profitability.

(All amounts in Rs. Lakhs, unless stated otherwise)

52 Share based payments

Capital Foods Employee Stock Option Plan 2019 (ESOP 2019): The shareholders by its resolution dated October, 9, 2019 approved ESOP 2019 plans for granting Employee Stock Options to eligible employees. Each Option entitles holder to one equity share (of face value Rs. 10 each) of the company. In terms of resolutions Board was authorised to formulate the schemes and decide the criteria for grant of options. Board by its resolution dated 18 November 2019 and other relevant resolutions, formulated the various schemes, and identified the eligible employees for grant.

Capital Foods Employee Stock Option Plan 2020 (ESOP 2020): The shareholders by its resolution dated December, 28 2020 approved ESOP 2020 plans for granting Employee Stock Options to eligible employees. Each Option entitles holder to one equity share (of face value Rs. 10 each) of the company. In terms of resolutions Board was authorised to formulate the schemes and decide the criteria for grant of options. Board by its resolution dated 21 January 2021, formulated the various schemes, and identified the eligible employees for grant.

Particulars	ESOP 2019		ESOP 2020	
	No of options	Date of Grant	No of options	Date of Grant
Date of Grant	1,11,078	18-Nov-19	54,646	29-Jan-21
	4,984	03-Dec-19	29,550	22-Jan-21
	9,092	20-Jan-20	1,000	25-Mar-21
	22,612	05-Oct-20	2,000	02-Jun-21
	900	07-Oct-20	4,180	16-Nov-21
	3,001	04-Nov-20		
	3,500	22-Jan-21		
	1,121	16-Nov-21		
	39,250	13-Sep-22		
Number of Options Granted	**1,95,538**		**91,376**	
Exercise Period	A period of 7 years from the date of listing of Shares on the stock exchange for Continuing Employee or Deceased Employee and a period of 3 years from the date of listing of Shares on the stock ex-change for Ex-Employees, unless the Board decides otherwise.			
Exercise Price (Rs.)	5,765.47		7,489.20	

Particulars	As at March 31, 2023		As at March 31, 2022	
	Average exercise price per share option (Rs)	Number of options	Average exercise price per share option (Rs)	Number of options
Opening Balance (ESOP 2019)	-	**1,10,518**	-	**1,48,484**
Opening Balance (ESOP 2020)	-	**24,235**	-	**85,196**
Granted during the year (ESOP 2019)	9,642.00	39,250	9,642.00	1,121
Granted during the year (ESOP 2020)	-	-	8,911.90	6,180
Excercised during the year	-	-	-	-
Forfeited during the year (ESOP 2019)	5,484.93	16,945	4,735.74	39,087
Forfeited during the year (ESOP 2020)	7,824.74	15,426	7,386.00	67,141
Closing Balance (ESOP 2019)		**1,32,823**		**1,10,518**
Closing Balance (ESOP 2020)		**8,809**		**24,235**
Vested and excercisable (ESOP 2019)	4,600.41	87,063	4,587.67	82,602
Vested and excercisable (ESOP 2020)	7,413.52	4,753	7,386.00	1,000

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

ESOP 2019				
Grant Date	**Expiry Date**	**Exercise Price (Rs)**	**Number of options as at 31 March 2023**	**Number of options as at 31 March 2022**
18-Nov-19	31-Mar-31	4,115.97	68,266	78,363
03-Dec-19	31-Mar-31	3,864.44	4,984	4,984
20-Jan-20	31-Mar-31	4,444.11	3,056	3,056
05-Oct-20	31-Mar-31	7,370.00	12,390	16,962
07-Oct-20	31-Mar-31	7,370.00	662	662
04-Nov-20	31-Mar-31	7,370.00	725	3,001
22-Jan-21	31-Mar-31	7,386.00	2,619	2,619
16-Nov-21	31-Mar-31	9,642.00	871	871
13-Sep-22	31-Mar-31	9,642.00	39,250	-
Total			**1,32,823**	**1,10,518**
Weighted average remaining contractual life of options outstanding at end of period			8.00	9.00

ESOP 2020				
Grant Date	**Expiry Date**	**Exercise Price (Rs)**	**Number of options as at 31 March 2023**	**Number of options as at 31 March 2022**
29-Jan-21	31-Mar-31	7,386.00	-	-
22-Jan-21	31-Mar-31	7,386.00	7,104	17,555
25-Mar-21	31-Mar-31	7,386.00	500	500
02-Jun-21	31-Mar-31	7,386.00	25	2,000
16-Nov-21	31-Mar-31	9,642.00	1,180	4,180
Total			**8,809**	**24,235**
Weighted average remaining contractual life of options outstanding at end of period			8.00	9.00

Fair value of options granted:-

The fair value at grant date of options granted during the year ended 31 March 2023 was Rs. 4,380.44 per option (31 March 2022 – Rs. 3,249.96). The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2023 included:

a) Exercise price - Rs. 9,642 (31 March 2022 - Rs. 9,024)
b) Grant date - as disclosed above in the table.
c) Expiry date - 31 March 2031 (31 March 2022 - 31 March 2031)
d) Share price at grant date - Rs. 9,642 (31 March 2022 - Rs. 9,024)
e) Expected price volatility of the company's shares - 48.42% (31 March 2022 - 49.48%)
f) Expected dividend yield - Nil (31 March 2022 - Nil)
g) Risk-free interest rate - 6.96% (31 March 2022 - 6.15%)
The expected price volatility is based on the peer volatility.

Effect of Share-based payment plan on the Balance Sheet and Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense arising from employee share-based payment plan	308.45	374.12

53 Additional regulatory information required by schedule III

i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

iii) Requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017 - Not applicable to the Company.

iv) Utilisation of borrowed funds and share premium

I. The Company has 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.

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vi) The Company has not traded or invested in crypto currency or virtual currency during the year.

vii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

viii) The Company has not revalued its Property, plant and equipment (Including Right of use assets) and intangible assets during the year / previous year.

ix) The Company has not entered into any scheme of arrangement during current year / previous year which has an accounting impact.

x) The Company has not given any loans and advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013).

xi) The Company has borrowings from bank on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts.

xii) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements, are held in the name of the company.

xiii) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

xiv) The Company do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.

54 Previous year figures have been reclassified / regrouped, wherever necessary, to conform to this year's classification.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: August 28, 2023

For and on behalf of Board of Directors

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Mumbai
Date: August 28, 2023

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: August 28, 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAPITAL FOODS PRIVATE LIMITED

Report on the Audit of the Financial Statements

1. We have audited the accompanying financial statements of Capital Foods Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

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

....

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Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi – 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Responsibilities of management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility

9. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

Other Matter

12. The financial information of the Company for the year ended March 31, 2021 and the transition date opening balance sheet as at April 1, 2020 included in these financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated July 19, 2021 and July 22, 2020 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the IND AS have been audited by us.

    Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on April 01, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 to the financial statements;

ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2022.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

iv. (a)The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 55 to the financial statements);

(b)The management has represented that, to the best of its knowledge and belief, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 55 to the financial statements); and

(c)Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

15. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 22118785ARYXHQ2270
Place: Mumbai
Date: September 13, 2022

Annexure A to Independent Auditor's Report

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 22118785ARYXHQ2270
Place: Mumbai
Date: September 13, 2022

Annexure B to Independent Auditors' Report

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment (including Right of use assets) are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment and Right of use assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from bank on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks. There were no material differences with the unaudited books of accounts. Also refer note 55 of the financial statements.

iii. (a) The company does not have any subsidiaries, joint ventures and associates. The Company has granted advances in the nature of loans to one company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such advances to parties other than subsidiaries, joint ventures and associates are as per the table given below:

Particulars	Advances in nature of loans
Aggregate amount granted/ provided during the year - Others	Rs. 17.36 Lakhs
Balance outstanding as a balance sheet date in respect of the above case - Others	Rs. 154.23 Lakhs

(Also refer Note 14 to the financial statements)

(b) In respect of the aforesaid advances in the nature of the loan, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of the advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The party is not regular in repaying the principal and interest amounts as stipulated. Also refer clause iii(e) below.

(d) In respect of the aforesaid advances in nature of loans, there is no amount which is overdue for more than ninety days. Also refer clause iii(e) below.

(e) Following advances in nature of loans were granted to same party, which has fallen due during the year and were renewed/extended. Further, in respect of following advances in nature of loans fresh loans were granted to settle the overdue advances in nature of loan.

Name of the party	Aggregate amount dues renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
In & Out Advertising Private Limited	Rs. 154.23 Lakhs	888%

(Also refer Note 14 to the financial statements)

(f) The advances in nature of loans granted during the year, had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. There were no loans granted promoters/related parties.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, professional tax, employees' state insurance, professional tax and income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and service tax, duty of customs, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 42(b) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)*#	Period to which the amount relates	Forum where the dispute is pending
Gujarat Value Added Tax Act, 2003	Sales Tax	1,925.19 lakhs	2010-11	Deputy Commissioner - Commercial Tax
Gujarat Value Added Tax Act, 2003	Sales Tax	211.89 lakhs	2009-10	Joint Commissioner
Income Tax Act, 1961.	Income tax	13.57 lakhs	2007-08	High Court
Income Tax Act, 1961.	Income tax	282.48 lakhs	2019-20	CIT (A)

* Net of amounts paid under protest.
# Including interest and penalty.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 55 to the financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements 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 procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business..

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is 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, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 54 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 22118785ARYXHQ2270
Place: Mumbai
Date: September 13, 2022

M/S CAPITAL FOODS PRIVATE LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH,2022

Villa Capital, Sadhana Compound,
S.V. Road, Jogeshwari West,
Mumbai-400 102 (India)
Tel: 022 67740100

Capital Foods Private Limited
Balance Sheet as at 31st March 2022
(All amounts in Rs. lakhs, unless stated otherwise)

Particulars	Note	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
ASSETS				
Non-current assets				
Property, plant and equipment	3	14,077.17	13,027.91	6,297.81
Intangible assets	3	112.69	162.19	152.69
Capital work-in-progress	3	2,838.07	971.57	2,231.27
Right-of-use assets	4	4,377.78	2,220.21	2,144.03
Financial assets				
(i) Investments	5	0.50	0.50	0.50
(ii) Other financial assets	6	271.86	251.32	221.97
Income tax assets (net)	7	576.92	355.78	63.50
Other non-current assets	8	1,612.38	2,441.96	1,968.98
Total non-current assets		**23,867.37**	**19,431.44**	**13,080.75**
Current assets				
Inventories	9	3,879.16	7,180.34	3,931.08
Financial assets				
(i) Investments	10	9,323.32	13,641.04	8,622.75
(ii) Trade receivables	11	1,335.03	1,415.78	1,182.73
(iii) Cash and cash equivalents	12	94.71	132.43	55.59
(iv) Bank balances other than (iii) above	13	95.39	99.22	16.44
(v) Loans	14	159.39	145.52	244.40
(vi) Other financial assets	15	41.37	41.71	7.49
Other current assets	16	1,788.54	1,726.67	1,408.76
Total current assets		**16,716.91**	**24,382.71**	**15,469.24**
Total assets		**40,584.28**	**43,814.15**	**28,549.99**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	17	349.44	349.44	344.99
Instruments entirely equity in nature	18	-	-	1,806.63
Other equity	19	22,436.63	22,805.93	12,834.47
Total equity		**22,786.07**	**23,155.37**	**14,986.09**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	20	1,857.74	2,474.23	75.24
(ii) Lease Liabilities		1,231.74	1,487.25	1,557.21
(iii) Other financial liabilities	21	54.25	54.25	54.25
Provisions	22	225.99	229.06	144.00
Deferred tax Liabilities (Net)	23	704.18	928.77	501.88
Other non-current liabilities	24	-	4.09	8.17
Total non-current liabilities		**4,073.90**	**5,177.65**	**2,340.75**
Current liabilities				
Financial liabilities				
(i) Borrowings	25	1,772.72	1,668.72	1,129.98
(ii) Lease Liabilities		762.88	692.15	430.35
(iii) Trade payables	26			
(a) Total outstanding dues of micro enterprises and small enterprises		282.87	176.94	150.95
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,861.22	10,021.67	7,581.15
(iv) Other financial liabilities	27	1,119.92	2,210.04	999.15
Provisions	28	27.15	25.69	17.85
Current tax liabilities (Net)	29	13.72	13.72	13.72
Other current liabilities	30	883.83	672.20	900.00
Total current liabilities		**13,724.31**	**15,481.13**	**11,223.15**
Total liabilities		**17,798.21**	**20,658.78**	**13,563.90**
Total equity and liabilities		**40,584.28**	**43,814.15**	**28,549.99**

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: September 13, 2022

For and on behalf of Board of Directors

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Ahmedabad
Date: September 13, 2022

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: September 13, 2022

Vinit Shukla
Company Secretary
Membership No: F11186
Place: Mumbai
Date: September 13, 2022

Capital Foods Private Limited
Statement of Profit and Loss for the year ended 31st March 2022
(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note	Year ended 31st March 2022	Year ended 31st March 2021
I.	Revenue from operations	31	57,417.16	66,668.44
II.	Other income	32	674.76	763.99
III.	**Total Revenue (I + II)**		**58,091.92**	**67,432.43**
IV.	**Expenses:**			
	Cost of materials consumed	33	26,914.07	27,534.69
	Purchase of Stock in Trade		1,718.60	3,109.62
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	1,803.51	(1,334.34)
	Employee benefits expense	35	6,965.81	8,131.96
	Finance costs	36	242.22	217.36
	Depreciation and amortization expense	3 & 4	2,074.21	1,451.04
	Other expenses	37	19,358.18	18,761.21
	Total expenses		**59,076.60**	**57,871.54**
V.	**(Loss)/ Profit before tax (III - IV)**		**(984.68)**	**9,560.89**
VI.	**Tax Expenses:-**			
	Current tax		-	2,257.77
	Earlier year tax		(17.11)	-
	Deferred tax	23	(224.48)	429.25
VII.	**(Loss)/ Profit for the year (V-VI)**		**(743.09)**	**6,873.87**
VIII.	**Other Comprehensive Income**			
	Items that will not be reclassified to the statement of profit or loss			
	Loss on remeasurement of the defined benefit plans		(0.44)	(9.37)
	Income tax on above		0.11	2.36
	Total Other Comprehensive Income for the year		**(0.33)**	**(7.01)**
IX.	**Total Comprehensive Income for the year (VII+VIII)**		**(743.42)**	**6,866.86**
	(Loss) / Earnings per equity share [Nominal value per share: Rs. 10 (31st March, 2021: Rs. 10)]	51		
	Basic (In Rs.)		(21.26)	198.39
	Diluted (In Rs.)		(21.26)	197.46

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Date: September 13, 2022

Vinit Shukla
Company Secretary
Membership No: F11186
Place: Mumbai
Date: September 13, 2022

Capital Foods Private Limited
Cash Flow Statement for the year ended 31st March 2022
(All amounts in Rs lakhs, unless stated otherwise)

	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A.	**Cash Flow from Operating Activities**		
	Net (Loss)/ Profit Before Tax	**(984.68)**	**9,560.89**
	Adjustment for :		
	Depreciation and amortization expense	2,074.21	1,451.04
	Employee share-based payment expense	374.12	1,302.41
	Provision for doubtful debts	9.83	52.09
	Loss /(profit) on disposal of assets (Net)	318.83	(5.42)
	Net gain on derecognition of Right of use assets	(17.84)	(1.18)
	Net gain arising on financial assets measured at fair value through profit or loss	(172.29)	(386.78)
	Net gain on sale of Investments	(260.00)	(290.29)
	Finance Cost	242.22	217.36
	Interest income	(38.94)	(31.48)
	Unwinding of discount on security deposits	(12.49)	(8.88)
	Deferred Income	(4.09)	(4.08)
	Effect of exchange rate changes (Net)	80.14	-
	Operating Profit before working capital changes	**1,609.02**	**11,855.68**
	Changes in Working Capital :		
	Decrease /(Increase) in Inventories	3,301.18	(3,249.26)
	Decrease /(Increase) in Trade Receivables	70.92	(285.14)
	Decrease /(Increase) in Loans and Advances	3.49	(4.25)
	Increase in other financial assets	(7.71)	(54.69)
	Increase in other assets	(27.20)	(276.16)
	Increase / (decrease) in Provisions	(2.05)	83.53
	Increase / (decrease) in Trade Payables	(1,054.52)	2,466.51
	Increase / (decrease) in Other financial Liabilities	(845.72)	849.88
	Increase / (decrease) in other Liabilities	211.63	(227.80)
	Changes in working capital	**1,650.02**	**(697.38)**
	Cash generated from Operations	**3,259.04**	**11,158.30**
	Direct taxes paid (Net)	(204.03)	(2,550.05)
	Net cash generated from operating activities (A)	**3,055.01**	**8,608.25**
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(4,273.44)	(6,460.96)
	Proceeds from sale of fixed assets	463.07	16.01
	Payment towards purchase of Right of use asset	(2,442.03)	-
	Purchase of investments	-	(11,140.03)
	Sale of investments	4,750.00	6,798.81
	Movement in bank balances other than cash and cash equivalents	3.83	(82.78)
	Inter corporate deposits matured	-	103.13
	Interest Received	21.58	31.48
	Net cash used in investing activities (B)	**(1,476.99)**	**(10,734.34)**
C.	**Cash Flow from Financing Activities**		
	Long term borrowing taken	-	3,154.32
	Long term borrowing paid	(760.05)	(139.49)
	Short term borrowing taken	6,139.48	5,554.15
	Short term borrowing paid	(5,972.06)	(5,631.24)
	Payment of lease liabilities	(779.89)	(522.74)
	Interest Paid	(243.22)	(212.07)
	Net cash from / (used) in financing activities (C)	**(1,615.74)**	**2,202.93**
	Net increase / (decrease) in cash and cash equivalents	**(37.72)**	**76.84**
	Cash and cash equivalents at the beginning of the period (Refer Note 12)	**132.43**	**55.59**
	Cash and cash equivalents at the end of the period (Refer Note 12)	**94.71**	**132.43**

Capital Foods Private Limited
Cash Flow Statement for the year ended 31st March 2022
(All amounts in Rs lakhs, unless stated otherwise)

Notes
A) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

B) Change in financial liability arising from financing activities :-

Particulars	Year ended 31st March 2022 #	Year ended 31st March 2021 #
Borrowings :-		
Opening balance	4,142.95	1,205.22
Changes from financing cash flows	(592.63)	2,937.73
Other changes	80.14	-
Closing balance	**3,630.46**	**4,142.95**

For movement of lease liabilities, Refer Note 47.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

For and on behalf of Board of Directors

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: September 13, 2022

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Ahmedabad
Date: September 13, 2022

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: September 13, 2022

Vinit Shukla
Company Secretary
Membership No: F11186
Place: Mumbai
Date: September 13, 2022

1 General information

The Company was incorporated on September 9, 2003 as Capital Foods Private Limited (CFPL) with its registered office in Mumbai (Oshiwara, Jogeshwari). Capital Foods Private Limited belongs to the FMCG sector and is engaged in processed food manufacturing business. Head Office of the company is located in Mumbai. The manufacturing plants are located at Kandla, Bhilad, Nahuli and Nashik.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

The Company has prepared financial statements in accordance with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)]and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under IndAS. Refer Note 52 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company`s financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets that is measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments measured at fair value.

(iii) New and amended standards adopted

The Company has adopted the following amendments to Ind AS standards from April 1, 2021:
- Extension to COVID-19 related concessions- amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in current and prior periods and are not expected to significantly affect any future periods.

(iv) Standard issued but not yet effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(v) Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Revenue Recognition:

(i) Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, chargebacks, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Performance Obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Contract balances

Contract assets

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

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.

If the goods provided by the Company exceed the payments from customers, a contract asset is recognised. If the payments received exceed the goods provided, a contract liability is recognised (which we refer to as deferred revenue).The Company presents revenue net of Goods and Services Tax (GST) and trade discounts in its Statement of Profit and loss.

Transport Assistance Subsidy from Agricultural and Processed Food Products Exports Development Authority (APEDA) receivable has been recognized as revenue on net realizable value based on eligibility and there is no uncertainty in receiving the same.
Income from duty drawback and premium of sale of import licences is recognised on an accrual basis.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

c) Property, Plant and Equipment

(i) Measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

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

(ii) Depreciation method, estimated useful lives and residual value

Depreciation is provided on straight line method, over the estimated useful life of each asset. Assets are depreciated as per useful life specified in Part C of the schedule II of the Act. The useful lives of the assets have been determined based on technical evaluation done by the management's expert and the following asset has a different useful life than prescribed by schedule II of the Act taking into account the nature of assets, their estimated period of use and the operating conditions.

Asset	**Useful life**
Office Building	30 years

Leasehold improvements are amortised over the primary lease period.

The useful lives for the assets are in line with the useful lives indicated under Schedule II to the Companies Act, 2013. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. Net gains and losses are included in the statement of profit and loss within other income/ other expenses.

d) Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of intangible asset comprises its purchase price, other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on intangible asset after its purchase is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The cost of intangible assets is amortised on a straight line basis over its useful life of 3 years as estimated by the Management.

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

e) Impairment of Non - financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets under development are tested for impairment on an annual basis. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash in flows from other assets or Companys of assets (cash-generating units). Non- financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

f) Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

g) Investments and Other Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial asset.

(iii) Measurememt

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in statement of profit and loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognised under other income/ other expenses. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.
Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit and loss.

(iv) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The credit loss is difference between all contractual cashflows that are due to an entity in accordance with the contract and all the cashflows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable information including that which is forward-looking.

For trade receivables, the company applies the simplified approach permitted by IndAS 109 "Financial Instruments", which requires expected lifetime losses to be recognized from initial recognition of the receivables. The losses arising from impairment are recognized in the Statement of Profit and Loss.

(v) Derecognition

A financial asset is derecognized only when
- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cashflows of the financial asset, but assumes a contractual obligation to pay the cashflows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest Income

Interest income from a financial asset at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using effective interest method and is recognised in statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial asset the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

h) Financial liabilities

(i) Classification as liability or equity

Financial liability and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Initial Recognition and Measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

(iii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

(iv) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

i) Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are usually unsecured. Trade payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

j) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

k) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the Company's functional and presentation currency.

(ii) Transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity’s net investment in that foreign operation.
Foreign exchange differences arising on foreign currency transactions are presented in the statement of profit and loss.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at FVOCI are recognised in other comprehensive income.

l) Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

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 tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The company measures its tax balances for uncertain tax positions either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
Deferred tax assets are recognized for all deductible temporary differences and for unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously within the same jurisdiction.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to item recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

n) Employee Benefits

(i) Short-term employee benefits

Liabilities for wages and salaries and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations for earned leave are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Gratuity obligations (Defined Benefit Plan)

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.
The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the endof the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(iv) Defined contribution plans

The Company pays provident fund and pension contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a reduction in the future payments is available.

(v) Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:
a) including any market performance conditions
b) excluding the impact of any service and non-market performance vesting conditions
c) including the impact of any non-vesting conditions

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of ESOP that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in Statement of profit and loss, with a corresponding adjustment to equity.

o) Cash Flow Statement

Cashflows from operating activities are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cashflows. The cashflows from operating, investing and financing activities of the Company are segregated.

p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

q) Leases

As a lessee

The Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from the previous GAAP.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

a) fixed payments
b) amount expected to be payable under residual value guarantees
c) the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option
d) payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally, the case for lessees, the lessee's incremental borrowing rate used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:
a)where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
b) uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
c) makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged in the Statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payment occurs.

Right of use assets are measured at cost comprising the following:
a) the amount of the initial measurement of lease liability
b) any lease payments made at or before the commencement date,
c) any initial direct costs, and
d) restoration cost

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short term leases and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases where the lease term is 12 months or less.

r) Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognised in the Statement of profit and loss over the useful life of the related depreciable asset by way of reduced depreciation charge.

s) Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

t) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognised at fair value. The Company holds trade receivable with the objective to collect contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is conditional only upon passage of time. Revenue in excess of billings is recorded as unbilled revenue and is classified as a financial asset as only the passage of time is required before the payment is due. Invoicing in excess of earnings are classified as contract liabilities which is disclosed as deferred revenue. Trade receivables and unbilled revenue are presented net of impairment in the Balance Sheet.

u) Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

v) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss under other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period. Where there is a breach of material provision of a long term loan arrangement on or before the date of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before approval of the financial statements for issue, not to demand payment as a consequence of the breach.

w) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
Other borrowing costs are expensed in the period in which they are incurred.

x) Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

y) Dividends

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

z) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

aa) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two decimals as per the requirement of Schedule III, unless otherwise stated.

ab) Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.
The areas involving critical estimates and judgments are:

(i) Defined benefit obligations - Refer Note No. 2(n)
(ii) Fair value measurement of financial instruments - Refer Note No. 2(g)
(iii) Income taxes - Refer Note No. 2(m)
(iv) Share-based payment transactions - Refer Note No. 2(n)
(v) Right-of-use assets and lease liability - Refer Note No. 2(q)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2022
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

Sr. No.	Asset Group	Gross Block				Accumulated Depreciation				Net Block
		Balance as at 1st April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation / Amortization charge for the year	On disposals	Balance as at 31st March 2022	Balance as at 31st March 2022
(i)	**Property plant and equipment** (At cost or deemed cost)									
	Buildings	5,464.33	273.70	(433.29)	5,304.74	100.62	207.72	(58.93)	249.41	5,055.33
	Land - Freehold	828.10	-	-	828.10	-	-	-	-	828.10
	Plant and Equipment	5,945.71	2,316.33	(215.32)	8,046.72	484.84	658.72	(33.96)	1,109.60	6,937.12
	Vehicles	133.67	119.93	(120.53)	133.07	19.68	28.70	(5.70)	42.68	90.39
	Office equipment	176.37	79.71	(4.97)	251.11	32.28	40.34	(0.28)	72.34	178.77
	Computers	83.45	30.30	(5.06)	108.69	37.89	53.06	(2.74)	88.21	20.48
	Furniture and Fixtures	269.76	95.59	(33.06)	332.29	25.80	29.91	(5.85)	49.86	282.43
	Electrical Installation	869.98	27.67	(113.65)	784.00	42.35	93.62	(36.52)	99.45	684.55
	Total	**13,771.37**	**2,943.23**	**(925.88)**	**15,788.72**	**743.46**	**1,112.07**	**(143.98)**	**1,711.55**	**14,077.17**
(ii)	**Intangible Assets** (At cost or deemed cost)									
	Computer software	226.92	15.23	-	242.15	64.73	64.73	-	129.46	112.69
	Total	**226.92**	**15.23**	**-**	**242.15**	**64.73**	**64.73**	**-**	**129.46**	**112.69**
	Grand Total (i)+(ii)	**13,998.29**	**2,958.46**	**(925.88)**	**16,030.87**	**808.19**	**1,176.80**	**(143.98)**	**1,841.01**	**14,189.86**

Notes :

i) Additions during the year include borrowing costs amounting to Rs. Nil (31 March 2021 Rs. 6.04 Lakhs, 01st April 2020: Nil)

ii) Refer Note 20 for information on property, plant and equipment pledged as security by the Company.

iii) Refer Note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2022
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

Sr. No.	Asset Group	Gross Block				Accumulated Depreciation				Net Block
		Balance as at 1st April 2020	Additions	Disposals	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation / Amortization charge for the year	On disposals	Balance as at 31st March 2021	Balance as at 31st March 2021
i)	**Property plant and equipment** (At cost or deemed cost)									
	Buildings	1,195.93	4,268.40	-	5,464.33	-	100.62	-	100.62	5,363.71
	Land - Freehold	828.10	-	-	828.10	-	-	-	-	828.10
	Plant and Equipment	3,598.68	2,347.03	-	5,945.71	-	484.84	-	484.84	5,460.87
	Vehicles	116.54	30.99	(13.86)	133.67	-	22.95	(3.27)	19.68	113.99
	Office equipment	98.51	77.86	-	176.37	-	32.28	-	32.28	144.09
	Computers	41.21	42.24	-	83.45	-	37.89	-	37.89	45.56
	Furniture and Fixtures	205.86	63.90	-	269.76	-	25.80	-	25.80	243.96
	Electrical Installation	212.98	657.00	-	869.98	-	42.35	-	42.35	827.63
	Total	**6,297.81**	**7,487.42**	**(13.86)**	**13,771.37**	**-**	**746.73**	**(3.27)**	**743.46**	**13,027.91**
ii)	**Intangible Assets** (At cost or deemed cost)									
	Computer software	152.69	74.23	-	226.92	-	64.73	-	64.73	162.19
	Total	**152.69**	**74.23**	**-**	**226.92**	**-**	**64.73**	**-**	**64.73**	**162.19**
	Grand Total (i)+(ii)	**6,450.50**	**7,561.65**	**(13.86)**	**13,998.29**	**-**	**811.46**	**(3.27)**	**808.19**	**13,190.10**

Notes :
i) Refer Note 20 for information on property, plant and equipment pledged as security by the Company.
ii) Refer Note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2022
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Property, plant and equipment

Ageing of Capital work-in-progress

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 01st April 2020**
Projects in progress:-			
Less than 1 year	2,799.36	971.57	2,215.39
1 – 2 years	38.71	-	13.37
2 – 3 years	-	-	-
More than 3 years	-	-	2.51
Total	**2,838.07**	**971.57**	**2,231.27**

Completion schedule for projects in Capital work-in-progress, which are overdue or has exceeded its cost compared to its original plan:-

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 01st April 2020**
Projects in progress:-			
Less than 1 year	224.87	820.79	-
1 – 2 years	-	-	-
2 – 3 years	-	-	-
More than 3 years	-	-	-
Total	**224.87**	**820.79**	**-**

Note : 4 : Right-of-use assets

Particulars	**Lease hold land**	**Building**	**Total**
As at 01st April 2020	**111.60**	**2,032.43**	**2,144.03**
Addition during the year	-	845.47	845.47
Deletion during the year	-	(144.12)	(144.12)
As at 31st March 2021	**111.60**	**2,733.78**	**2,845.38**
Addition during the year	2,442.03	836.01	3,278.04
Deletion during the year	-	(569.91)	(569.91)
As at 31st March 2022	**2,553.63**	**2,999.88**	**5,553.51**
Accumulated Depreciation			
As at 01st April 2020	**-**	**-**	-
Depreciation for the year	1.80	637.78	639.58
Deletion during the year	-	(14.41)	(14.41)
As at 31st March 2021	**1.80**	**623.37**	**625.17**
Depreciation for the year	13.28	884.13	897.41
Deletion during the year	-	(346.85)	(346.85)
As at 31st March 2022	**15.08**	**1,160.65**	**1,175.73**

Net Right of use assets			
As at 01st April 2020	**111.60**	**2,032.43**	**2,144.03**
As at 31st March 2021	**109.80**	**2,110.41**	**2,220.21**
As at 31st March 2022	**2,538.55**	**1,839.23**	**4,377.78**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2022
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 5 : Non-current Investments

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Non Trade Investment (Unquoted)			
National Savings Certificate	0.50	0.50	0.50
Total	**0.50**	**0.50**	**0.50**

Aggregate amount of unquoted investments	0.50	0.50	0.50
Aggregate amount of impairment in the value of investments	-	-	-

Note : 6 : Other financial assets (Non - current)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Security Deposits (unsecured, considered good)	271.86	251.32	221.97
Total	**271.86**	**251.32**	**221.97**

Note : 7 : Income tax assets (net)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Advance Income Tax [Net of Provision Rs. 2,449.65 Lakhs, (March 31, 2021- Rs. 2,464.11 Lakhs, April 01, 2020- Rs. 206.33 Lakhs)]	576.92	355.78	63.50
Total	**576.92**	**355.78**	**63.50**

Note : 8 : Other non-current assets

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Unsecured, considered good (unless otherwise stated)			
Capital Advance	41.73	836.64	321.91
Deposits with Government Authorities [Refer note 42 (a)]	1,570.65	1,605.32	1,647.07
Total	**1,612.38**	**2,441.96**	**1,968.98**

Note : 9 : Inventories

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Raw materials	1,318.34	2,274.15	1,175.20
Packing materials	1,028.49	1,515.03	737.73
Work-in-progress	180.86	168.56	169.28
Finished goods (includes in transit: Rs. 335.73 Lakhs, 31 March 2021: Rs 805.52 Lakhs, 01 April 2020: Nil)	1,254.91	2,849.48	1,753.41
Stock in trade	45.55	266.79	27.80
Stores and consumables	51.01	106.33	67.66
(All above stocks are valued at Lower of Cost and Net realisable Value)			
Total	**3,879.16**	**7,180.34**	**3,931.08**

Write downs of inventories amounted to Rs. 1,096.65 Lakhs (31st March 2021: Rs. 217.81 Lakhs). The changes in write downs are recognised as an expense in the statement of profit and loss.

Note : 10 : Current Investments

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Investment in Mutual Funds **Unquoted (At fair value through profit or loss)**			
Aditya Birla Sun Life Cash Plus - Growth 1,047,019 Units (as at 31st March 2021 - 1,047,019 Units, 01st April 2020 - 1,047,019 Units)	3,592.59	3,471.21	3,345.85
Aditya Birla Sun Life Savings Fund - Growth 883,458 Units (as at 31st March 2021 - 883,458 Units, 01st April 2020 - 450,321 Units)	3,919.74	3,759.00	1,793.88
Aditya Birla Sun Life Cash Liquid Fund - Growth Nil Units (as at 31st March 2021 - Nil Units, 01st April 2020 - 340,327 Units)	-	-	1,087.55
ICICI Prudential Savings Fund Growth Direct 217,312 Units (as at 31st March 2021 - 1,331,510, 01st April 2020 - 406,368 Units)	951.20	5,588.20	1,586.34
ICICI Prudential Short Term Fund Growth Direct Nil Units (as at 31st March 2021 - Nil Units, 01st April 2020 - 1,823,765 Units)	-	-	809.13
ICICI Prudential Ultra Short Term Fund Growth Direct 3,595,824 Units (as at 31st March 2021 - 3,595,824 Units, 01st April 2020 - Nil Units)	859.79	822.63	-
Total	**9,323.32**	**13,641.04**	**8,622.75**

(All amounts in Rs. Lakhs, unless stated otherwise)

Aggregate amount of quoted investments at market value	-	-	-
Aggregate amount of unquoted investments	9,323.32	13,641.04	8,622.75
Aggregate amount of impairment in the value of investments	-	-	-

Note : 11 : Trade receivables

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Unsecured			
Considered good	1,390.08	1,432.87	1,235.12
Credit Impaired	30.16	58.29	-
	1,420.24	**1,491.16**	**1,235.12**
Less: Allowance for expected credit loss	(85.21)	(75.38)	(52.39)
Total	**1,335.03**	**1,415.78**	**1,182.73**

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2022							
i) Undisputed trade receivables- considered good	660.88	659.55	14.60	-	-	-	1,335.03
ii) Undisputed trade receivables- considered doubtful	5.83	28.15	16.82	30.51	3.21	0.69	85.21
iii) Disputed trade receivables- considered good	-	-	-	-	-	-	-
iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
As at 31st March 2021							
i) Undisputed trade receivables- considered good	28.42	1,386.41	0.95	-	-	-	1,415.78
ii) Undisputed trade receivables- considered doubtful	5.77	51.54	14.35	3.28	0.44	-	75.38
iii) Disputed trade receivables- considered good	-	-	-	-	-	-	-
iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
As at 01st April 2020							
i) Undisputed trade receivables- considered good	902.74	273.33	6.66	-	-	-	1,182.73
ii) Undisputed trade receivables- considered doubtful	3.05	4.04	2.66	11.31	9.74	21.59	52.39
iii) Disputed trade receivables- considered good							
iv) Disputed trade receivables- considered doubtful							

Note : 12 : Cash and cash equivalents

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Cash and cash equivalents			
Balance in current accounts	93.88	131.37	51.39
Cash on hand	0.83	1.06	4.20
Total	**94.71**	**132.43**	**55.59**

Note : 13 : Bank balances other than cash and cash equivalents

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Deposits with maturity of more than three months but less than 12 months	95.39	99.22	16.44
Total	**95.39**	**99.22**	**16.44**

Note : 14 : Loans (Current)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Unsecured, considered Good			
Inter corporate deposits (ICD) ^	154.23	136.87	240.00
Loans to employees	5.16	8.65	4.40
Total	**159.39**	**145.52**	**244.40**

^ The Inter corporate deposits (including interest) had fallen due during the year and same has been renewed. The amount is expected to be settled in the financial year 2022-23.

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Note : 15 : Other financial assets (current)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Other Receivables	41.37	41.71	7.49
Total	**41.37**	**41.71**	**7.49**

Note : 16 : Other current assets

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Unsecured, considered Good			
Balance with Government Authorities	1,140.53	942.37	693.32
Export and modvat benefit receivable	352.07	408.88	349.19
Prepaid Expenses	184.76	133.10	94.35
Advance to Employees	18.51	46.70	28.01
Advance to Suppliers	92.67	195.62	243.89
Total	**1,788.54**	**1,726.67**	**1,408.76**

Note : 17 : Equity share capital

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Authorised 2,07,50,000 (31st March 2021: 2,07,50,000, 01st April 2020: 2,07,50,000) Equity Shares of Rs. 10 each	2,075.00	2,075.00	2,075.00
Issued, Subscribed and Paid up 34,94,433 (31st March 2021: 34,94,433, 01st April 2020: 34,49,909) Equity Shares of Rs. 10 each	349.44	349.44	344.99
Total	**349.44**	**349.44**	**344.99**

a. Reconciliation of the number of shares:
Equity Shares

Particulars	As at 31st March 2022		As at 31st March 2021		As at 01st April 2020	
	Number of Shares	Rs. In Lakhs	Number of Shares	Rs. In Lakhs	Number of Shares	Rs. In Lakhs
Balance as at the beginning of the year	34,94,433	349.44	34,49,909	344.99	34,93,387	349.34
Less: Shares bought back during the year	-	-	-	-	(43,478)	(4.35)
Add: Issued during the year	-	-	-	-	-	-
Add: Preference Shares converted to Equity Shares	-	-	44,524	4.45	-	-
Balance as at the end of the year	34,94,433	349.44	34,94,433	349.44	34,49,909	344.99

b. Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

% of Shareholding	As at 31st March 2022		As at 31st March 2021		As at 01st April 2020	
	Number of Shares	% Holding	Number of Shares	% Holding	Number of Shares	% Holding
Equity Shares						
Artal Asia Pte Ltd.	13,95,700	39.94%	13,95,700	39.94%	13,95,700	40.46%
General Atlantic Singapore CF Pte Ltd	12,38,203	35.43%	12,38,203	35.43%	11,93,679	34.60%
Wildflower Private Trust	7,71,430	22.08%	7,71,430	22.08%	7,71,430	22.36%

c. Details of shareholding of promoters:

Particulars	Number of equity shares	Percentage of total number of shares	Percentage of change during the year
As at 01st April 2020			
Ajay Kumar Gupta	89,100	2.58%	-
Wildflower Private Trust	7,71,430	22.36%	-
Total	**8,60,530**	**24.94%**	-
As at 31st March 2021			
Ajay Kumar Gupta	89,100	2.55%	-0.03%
Wildflower Private Trust	7,71,430	22.08%	-0.28%
Total	**8,60,530**	**24.63%**	**-0.31%**
As at 31st March 2022			
Ajay Kumar Gupta	89,100	2.55%	-
Wildflower Private Trust	7,71,430	22.08%	-
Total	**8,60,530**	**24.63%**	-

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d. Terms/rights attached to equity shares.

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Note : 18 : Instruments entirely equity in nature

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Authorised 2,00,00,000(31st March 2021: 2,00,00,000, 01st April 2020: 2,00,00,000) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	2,000.00	2,000.00	2,000.00
Issued, Subscribed and Paid up Nil (31st March 2021: Nil, 01st April 2020: 1,80,66,326) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	-	-	1,806.63
Total	**-**	**-**	**1,806.63**

a. Reconciliation of the number of shares:
0.1% Non-Cumulative Preference Shares

Particulars	As at 31st March 2022		As at 31st March 2021		As at 01st April 2020	
	Number of Shares	Rs. In Lakhs	Number of Shares	Rs. In Lakhs	Number of Shares	Rs. In Lakhs
Balance as at the beginning of the year	-	-	1,80,66,326	1,806.63	-	-
Shares issued during the year	-	-	-	-	1,80,66,326	1,806.63
Shares converted in to equity shares during the year	-	-	(1,80,66,326)	(1,806.63)	-	-
Balance as at the end of the year	-	-	-	-	1,80,66,326	1,806.63

b. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company
0.1% Non-Cumulative Preference Shares

% of Shareholding	As at 31st March 2022		As at 31st March 2021		As at 01st April 2020	
	Number of Shares	% Holding	Number of Shares	% Holding	Number of Shares	% Holding
General Atlantic Singapore CF Pte Ltd	-	-	-	-	1,80,66,326	100.00%

c. Terms/rights attached to 0.1% Non-Cumulative preference shares.

In the year 2019-20, the company has issued 1,80,66,326 non-cumulative, 0.1% compulsorily convertible preference shares (CCPS) having face value of Rs. 10 each for an aggregate consideration of Rs. 18,06,63,260 to General Atlantic Singapore CF Pte Ltd (Purchaser). The conversion price was agreed to be Rs.4,057.66 (four thousand fifty seven rupees sixty six paise). At a conversion price of Rs. 4,057.66, the number of Equity Shares to be allotted to the Purchaser upon conversion of all the CCPS were 44,524 Equity Shares.

During the year 2020 -21, Company has converted 1,80,66,326, 0.1 % Non-Cumulative Preference shares into 44,524 equity shares, at a conversion price of Rs. 4,057.66 per equity share, as per the request received from the holder of 0.1% Non-Cumulative preference shares, namely General Atlantic Singapore CF Pte Ltd. The conversion was approved by Board of director at their meeting held on 2 December, 2020.

Note : 19 : Other equity

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Securities premium	13,314.34	13,314.34	11,512.15
Retained earnings	7,025.49	7,768.91	902.05
ESOP reserve	2,096.80	1,722.68	420.27
Total	**22,436.63**	**22,805.93**	**12,834.47**

Refer statement of changes in equity for detailed movement in other equity balance.

Nature and purpose of each reserve :

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

ESOP reserve - This represents the fair value of the stock options granted by the Company under the ESOP Plan accumulated over the vesting period. The reserve will be utilised on exercise of the options.

Note : 20 : Borrowings (non - current)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Secured Loans:			
Term Loans from a bank			
Foreign Currency Loans	1,857.74	2,474.23	75.24
Total	**1,857.74**	**2,474.23**	**75.24**

Nature of security and terms of repayment for secured borrowing

Nature of Security	Terms of Repayment
Foreign Currency Term loan - 1, amounting to Rs. NIL (March 31, 2021 Rs. Nil, April 01, 2020 Rs. 38.57 lakhs*)	Repayable in 60 monthly installments beginning from December 2015 till December 2020. The loan carry fixed interest rate of (March 31, 2021 5.15% p.a., April 01, 2020 5.15% p.a.) The loan has been repaid during the year 20-21.
Foreign Currency Term loan - 2, amounting to Rs. Nil # (March 31, 2021 Rs. 73.07 lakhs#, April 01, 2020 Rs. 168.71 lakhs*)	Repayable in 60 monthly installments beginning from January 2017, till December 2021 The loan carry fixed interest rate of 6.5% p.a. (March 31, 2021 6.5% p.a., April 01, 2020 6.5% p.a.) The loan has been repaid during the year.
Foreign Currency Term loan - 3, amounting to Rs. 2,158.40 lakhs # (March 31, 2021 Rs. 2,660.85 lakhs#, April 01, 2020 Rs. NIL*)	Repayable in 60 monthly installments beginning from December 2020, till November 2025 The loan carry fixed interest rate of 1.95% p.a. (March 31, 2021 1.95% p.a.)
Foreign Currency Term loan - 4, amounting to Rs. 395.99 lakhs# (March 31, 2021 Rs. 488.18 lakhs#, April 01, 2020 Rs. NIL*)	Repayable in 60 monthly installments beginning from December 2020, till November 2025 The loan carry fixed interest rate of 1.95% p.a. (March 31, 2021 1.95% p.a.)
The amount mentioned include installments falling due within a year aggregating to Rs 696.65 Lakhs (31st March, 2021: Rs 747.87 Lakhs, 01st April, 2020: Rs 132.04 lakhs) have been grouped under current maturities of long-term debts under current borrowings (Refer note 25)	
# The Foreign Currency Term loans are secured by primary security of hypothecation of entire current assets of the company consisting of inventory and book debts and collateral security of mortgage of Plant and Machinery and Land at Nashik Plant and Nahuli Plant	
* The Foreign Currency Term loans are secured by primary security of hypothecation of entire current assets of the company consisting of inventory and book debts and collateral security of mortgage of Land at Nashik Plant and Nahuli Plant.	

Note : 21 : Other financial liabilities (non -current)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Security Deposits (unsecured, considered good)	54.25	54.25	54.25
Total	**54.25**	**54.25**	**54.25**

Note : 22 : Provisions (non - current)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Provision for employee benefits			
Compensated Absences (Refer Note 44)	225.99	229.06	144.00
Total	**225.99**	**229.06**	**144.00**

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Note : 23 : Deferred tax Liabilities (Net)

Particulars	Opening balance as at 01st April 2020	Charged/ (credited) to Profit or (Loss)	Charged/ (credited) to Other Comprehensive Income	Closing balance as at 31st March 2021
Deferred tax liabilities / (asset) in relation to				
Difference between written down value of property, plant and equipment, intangible assets as per books of accounts and income tax	231.82	113.76		345.58
Difference in carrying value and tax base of financial assets of investments	221.26	97.34		318.60
Right-of-use assets	511.52	19.63		531.15
Others	376.45	-		376.45
Disallowances under Sections 40(a)(i) and 43B of the Income Tax Act, 1961	(87.32)	4.23		(83.09)
Unabsorbed depreciation & business loss	(240.33)	240.33		-
Lease liabilities	(500.23)	(48.28)		(548.51)
Remeasurement of the defined benefit plans through OCI	-	-	(2.36)	(2.36)
Others	(11.29)	2.24		(9.05)
Deferred tax liability (Net)	**501.88**	**429.25**	**(2.36)**	**928.77**

Particulars	Opening balance as at 01st April 2021	Charged/ (credited) to Profit or (Loss)	Charged/ (credited) to Other Comprehensive Income	Closing balance as at 31st March 2022
Deferred tax liabilities / (asset) in relation to				
Difference between written down value of property, plant and equipment, intangible assets as per books of accounts and income tax	345.58	55.96		401.54
Difference in carrying value and tax base of financial assets of investments	318.60	43.36		361.96
Right-of-use assets	531.15	(68.25)		462.90
Others	376.45	-		376.45
Disallowances under Sections 40(a)(i) and 43B of the Income Tax Act, 1961	(83.09)	(2.07)		(85.16)
Unabsorbed depreciation & business loss	-	(208.97)		(208.97)
Employee share based payment	-	(94.16)		(94.16)
Lease liabilities	(548.51)	46.51		(502.00)
Remeasurement of the defined benefit plans through OCI	(2.36)		(0.11)	(2.47)
Others	(9.05)	3.14		(5.91)
Deferred tax liability (Net)	**928.77**	**(224.48)**	**(0.11)**	**704.18**

Note : 24 : Other non-current liabilities

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Deferred Government Grants	-	4.09	8.17
Total	**-**	**4.09**	**8.17**

Note : 25 : Borrowings (current)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Secured			
Working Capital foreign currency loans	1,076.07	920.85	997.94
Current maturities of long-term debt (Refer Note 20)	696.65	747.87	132.04
Total	**1,772.72**	**1,668.72**	**1,129.98**

Nature of security and terms of repayment for secured borrowing

Nature of Security	Terms of Repayment
Packing Credit limit from a Bank, amounting to Rs. 1076.07 lakhs (March 31, 2021 Rs. 920.85 lakhs, April 01, 2020 Rs. 997.94 lakhs) is secured by stock in trade meant for Export.	Repayable within 90 days. The loan carries interest rate of Libor plus 1.0-1.52 % p.a. linked to the lender's PLR as at 31st March, 2022 (i.e. 1.12% p.a.) [31st March, 2021 Libor plus 1-1.5 % p.a. (i.e 1.13% p.a), April 01, 2020 : Libor plus 1.5 % p.a.(i.e 2.59% p.a.)].

Note : 26 : Trade payables

Particulars	As at 31st March 2022	As at 31st March 2021	As at 01st April 2020
Trade Payable			
- Total outstanding dues of micro enterprises and small enterprises ('Refer Note 48)	282.87	176.94	150.95
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8,861.22	10,021.67	7,581.15
Total	**9,144.09**	**10,198.61**	**7,732.10**

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(All amounts in Rs. Lakhs, unless stated otherwise)

Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2022						
i) MSME	185.58	97.29	-	-	-	282.87
ii) Others	1,731.74	3,676.52	15.54	5.97	-	5,429.77
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
As at 31st March 2021						
i) MSME	101.28	75.66	-	-	-	176.94
ii) Others	3,378.87	2,516.55	32.34	18.37	53.47	5,999.60
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
As at 01st April 2020						
i) MSME	116.71	34.24	-	-	-	150.95
ii) Others	2,435.29	3,062.46	20.93	45.06	5.97	5,569.71
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Unbilled dues are Rs. 3,431.45 Lacs as on March 31, 2022, Rs. 4,022.07 Lacs as on March 31,2021 and Rs. 2,011.44 Lacs as on April 01, 2020.

Note : 27 : Other financial liabilities (current)

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 01st April 2020**
Capital Creditors	287.23	530.62	174.89
Retention money payable	181.59	392.73	136.60
Employee Benefits payable	646.81	1,281.40	687.66
Interest accrued but not due on borrowing	4.29	5.29	-
Total	**1,119.92**	**2,210.04**	**999.15**

Note : 28 : Provisions (current)

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 01st April 2020**
Provision for employee benefits			
Gratuity Provision (Refer Note 44)	-	-	5.32
Compensated Absences (Refer Note 44)	27.15	25.69	12.53
Total	**27.15**	**25.69**	**17.85**

Note : 29 : Current tax liabilities (Net)

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 01st April 2020**
Provision for Taxation [Net of Advance Tax Rs. 147.98 Lakhs (March 31, 2021- Rs. 147.98 Lakhs, April 01, 2020- Rs. 147.98 Lakhs)]	13.72	13.72	13.72
Total	**13.72**	**13.72**	**13.72**

Note : 30 : Other current liabilities

Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**As at 01st April 2020**
Statutory Dues	221.04	437.35	540.80
Advance received from Customers	662.79	234.85	359.20
Total	**883.83**	**672.20**	**900.00**

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Note : 31 : Revenue from operations

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from contracts with customers	57,225.30	66,256.82
	57,225.30	**66,256.82**
Other Operating Revenue		
Scrap Sales	135.60	80.38
Export Incentives	56.26	331.24
Total	**57,417.16**	**66,668.44**

Note : 32 : Other income

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest Income	38.94	31.48
Unwinding of discount on security deposits	12.49	8.88
Net gain on sale of investments	260.00	290.29
Net gain on derecognition of Right of use asset	17.84	1.18
Profit on Sale of Assets	-	5.42
Net gain arising on financial assets measured at fair value through profit or loss	172.29	386.78
Net gain on foreign currency transaction	25.35	-
Miscellaneous Income	147.85	39.96
Total	**674.76**	**763.99**

Note : 33 : Cost of materials consumed

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cost of Raw Material and Packing Material Consumed		
Cost of Raw Material Consumed	18,095.72	18,410.53
Cost of Packing Material Consumed	8,818.35	9,124.16
Total	**26,914.07**	**27,534.69**

Note : 34 : Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Work in Progress		
Opening stock of Work in progress	168.56	169.28
Closing stock of Work in progress	180.86	168.56
	(12.30)	**0.72**
Finished Goods and Stock-in-trade		
Opening stock of Finished goods and Stock-in-trade	3,116.27	1,781.21
Closing stock of Finished goods and Stock-in-trade	1,300.46	3,116.27
	1,815.81	**(1,335.06)**
Total	**1,803.51**	**(1,334.34)**

Note : 35 : Employee benefits expense

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages and bonus	6,123.05	6,357.14
Gratuity (Refer Note 44)	87.59	71.14
Contribution to provident & Other funds (Refer Note 44)	270.06	247.87
Staff welfare expenses	110.99	153.40
Employee share-based payment expense (Refer Note 53)	374.12	1,302.41
Total	**6,965.81**	**8,131.96**

Note : 36 : Finance costs

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on borrowings	68.33	40.95
Interest - Others	0.41	0.81
Interest on Lease Liabilities	167.78	154.90
Other borrowing costs	5.70	20.70
Total	**242.22**	**217.36**

(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 37 : Other expenses

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
Power & Fuel	1,517.17	1,010.65
Labour Charges	1,324.71	1,108.92
Consumable Stores	252.59	268.95
Legal and Professional Fees	2,604.94	2,431.04
Rent (Refer Note 47)	116.09	124.48
Rates & Taxes	18.45	11.07
Insurance	291.54	207.07
Repairs and Maintenance	292.15	329.40
Auditor's Remuneration [Refer Note 37 (a)]	68.70	19.35
Loss on Disposal of Assets (Net)	318.83	-
Advertisement Expenses	4,640.60	6,716.70
Sales Promotion Expenses	1,093.81	392.76
Freight Outward	3,667.25	3,668.45
Printing and Stationery	25.42	22.06
Travel and Conveyance	828.58	613.18
Warehousing and handling charges	492.21	321.79
Net loss on foreign currency transaction	-	24.08
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 45)	76.00	13.25
Provision for Doubtful debts	9.83	52.09
Bad Debts for the year	-	29.10
Less: Adjusted against Provision for Doubtful Debts	-	(29.10)
Miscellaneous expenses	1,719.31	1,425.92
Total	**19,358.18**	**18,761.21**

Note 37 (a) - Auditor's Remuneration

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
Statutory Audit Fees	30.50	18.00
Tax Audit Fees	1.50	1.25
Other Services	36.40	-
Reimbursement of expenses	0.30	0.10
Total	**68.70**	**19.35**

Note : 38 : Tax reconciliation

Income tax expense

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
Current tax		
Current tax on profit for the year	-	2,257.77
Adjustment to current tax of prior periods	(17.11)	-
Total current tax expenses	**(17.11)**	**2,257.77**
Deferred tax expenses/(credit)	**(224.48)**	**429.25**
Income tax expense recognised in the Statement of Profit and Loss	**(241.59)**	**2,687.02**

Reconciliation of tax expense

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
(Loss)/ Profit before tax	**(984.68)**	**9,560.89**
Income tax expense calculated at 25.168% #	(247.82)	2,406.28
Tax effect on non-deductible expenses	23.45	344.62
Effect of Income which is taxed at special rates	-	(0.88)
Effect of indexation benefit on Long term capital gains	-	(6.36)
Earlier year tax adjustment	(17.11)	-
Effect of unused tax losses and tax offsets	-	(90.22)
Others	(0.11)	33.58
Income tax expense recognised in the Statement of Profit and Loss	**(241.59)**	**2,687.02**

The tax rate used for reconciliation above is the corporate tax rate at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

39 Fair Value Measurement

(a) Financial instruments by category :

Particulars	As at 31st March, 2022		As at 31st March, 2021		As at 01st April, 2020	
	Fair value through Profit or Loss	Amortised Cost	Fair value through Profit or Loss	Amortised Cost	Fair value through Profit or Loss	Amortised Cost
Financial assets						
Investments						
- Mutual funds	9,323.32	-	13,641.04	-	8,622.75	-
- National saving certificate	-	0.50	-	0.50	-	0.50
Trade receivables	-	1,335.03	-	1,415.78	-	1,182.73
Cash and cash equivalents	-	94.71	-	132.43	-	55.59
Bank balances other than cash and cash equivalents	-	95.39	-	99.22	-	16.44
Loans	-	159.39	-	145.52	-	244.40
Security deposits	-	271.86	-	251.32	-	221.97
Other receivables	-	41.37	-	41.71	-	7.49
Total	**9,323.32**	**1,998.25**	**13,641.04**	**2,086.48**	**8,622.75**	**1,729.12**
Financial liabilities						
Borrowings	-	3,630.46	-	4,142.95	-	1,205.22
Lease liabilities	-	1,994.62	-	2,179.40	-	1,987.56
Trade payables	-	9,144.09	-	10,198.61	-	7,732.10
Security deposits	-	54.25	-	54.25	-	54.25
Capital creditors	-	287.23	-	530.62	-	174.89
Retention money payable	-	181.59	-	392.73	-	136.60
Employee Benefits payable	-	646.81	-	1,281.40	-	687.66
Interest accrued but not due on borrowing	-	4.29	-	5.29	-	-
Total	**-**	**15,943.34**	**-**	**18,785.25**	**-**	**11,978.28**

(b) Fair Value Hierarchy:

Financial assets and liabilities measured at fair value

Particulars	Level 1	Level 2	Level 3
Financial assets			
Investments			
Mutual Funds			
As at 31st March, 2022	9,323.32	-	-
As at 31st March, 2021	13,641.04	-	-
As at 01st April, 2020	8,622.75	-	-

Level 1: Includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.
Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
Level 3: inputs are unobservable inputs for the asset or liability.
There are no transfers between levels during the year.
The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

40 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

A. Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in various countries. Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Movement in the expected credit loss allowance on trade receivables

Particulars	Amount
Loss allowance as on April 01, 2020	52.39
Changes in loss allowance	52.09
Utilisation for bad debts written off	(29.10)
Loss allowance as on March 31, 2021	75.38
Changes in loss allowance	9.83
Loss allowance as on March 31, 2022	85.21

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with good credit ratings. No expected credit loss allowance has been created for security deposits and investments in mutual funds, since the Company considers the lifetime credit risk of these financial assets to be very low.

B. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised borrowing facilities from banks of Rs. 4,383.18 Lacs as on March 31, 2022, Rs. 5,438.40 Lacs as on March 31,2021 and Rs. 2,752.06 Lacs as on April 01, 2020

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	**As at 31st March, 2022**			
	Less than 1 year	**Between 1 and 3 years**	**More than 3 years**	**Total**
Non-Derivatives				
Borrowings	1,772.72	1,393.31	464.43	3,630.46
Lease liabilities	762.88	914.33	317.41	1,994.62
Trade payables	9,144.09	-	-	9,144.09
Others	1,119.92		54.25	1,174.17
	12,799.61	**2,307.64**	**836.09**	**15,943.34**
	As at 31st March, 2021			
	Less than 1 year	**Between 1 and 3 years**	**More than 3 years**	**Total**
Non-Derivatives				
Borrowings	1,668.72	1,349.58	1,124.65	4,142.95
Lease liabilities	692.15	979.95	507.30	2,179.40
Trade payables	10,198.61	-	-	10,198.61
Others	2,210.04		54.25	2,264.29
	14,769.52	**2,329.53**	**1,686.20**	**18,785.25**
	As at 01st April, 2020			
	Less than 1 year	**Between 1 and 3 years**	**More than 3 years**	**Total**
Non-Derivatives				
Borrowings	1,129.98	75.24	-	1,205.22
Lease liabilities	430.35	873.04	684.17	1,987.56
Trade payables	7,732.10	-	-	7,732.10
Others	999.15		54.25	1,053.40
	10,291.58	**948.28**	**738.42**	**11,978.28**

C. Market Risk

a) Foreign currency risk exposure

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses and foreign currency borrowings. To mitigate the risk of changes in exchange rates on foreign currency exposures, the company has natural hedge between foreign currency receivables and payables.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

(Rs. in Lacs)

Particulars	**As at 31st March, 2022**		**As at 31st March, 2021**		**As at 01st April, 2020**	
	USD	**Others**	**USD**	**Others**	**USD**	**Others**
Financial assets						
Trade receivables	1,261.73	-	1,665.26	-	793.34	-
Cash and cash equivalents	30.49	-	65.48	-	32.23	
Total	**1,292.22**	**-**	**1,730.74**	**-**	**825.57**	**-**
Financial liabilities						
Borrowings	3,630.46	-	4,142.95	-	1,205.22	-
Trade payables	64.38	20.65	123.88	20.99	-	-
Total	**3,694.84**	**20.65**	**4,266.83**	**20.99**	**1,205.22**	**-**

Sensitivity

For the years ended March 31, 2022, March 31, 2021 every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would decrease the Company' loss and increase the Company's profit respectively by approximately Rs 121.16 Lacs , Rs. 127.85 Lacs. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

b) Interest rate Risk

The Company has certain loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The Company's Treasury Department monitors the interest rate movement and manages the interest rate risk by evaluating the market / risk perception.

For the years ended March 31, 2022 and March 31, 2021, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would decrease the Company's loss by approximately Rs. 5.38 Lacs and increase the profit Rs. 4.60 Lacs respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

41 Capital Management

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Debt equity ratio	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 01st April 2020**
Net Debt ((includes non-current, current borrowings and lease liabilities net off Cash and cash equivalents)	5,530.37	6,189.92	3,137.19
Total equity (including reserves)	22,786.07	23,155.37	14,986.09
Debt equity ratio	0.24	0.27	0.21

42 Contingent Liabilities

(To the extent not provided for)

a) Claims against the Company not acknowledged as debt:

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 01st April 2020
Sales Tax matters#	3,731.82	3,731.82	3,863.97
Income Tax matters*	28.20	28.20	28.20
Other matters	3.28	3.28	3.61

#The Company has received various demands against Sales tax matters for the financial year 2009-10 to 2013-14 in respect of non submission of statutory forms, classification of products and predetermined interstate sales amounting to Rs. 3,731.82 Lakhs. Future cash flows in respect of the above, if any, is determine only on the receipt of judgements/decisions pending with the relevant authorities.

* The Company has received a favorable order of gross demand of the A.Y. 2008-09, amounting to Rs. 28.20 Lakhs from the ITAT as on 2013. However, the department has filed an appeal in the Bombay High Court against the order.

b) Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty on the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

c) The Company had entered into a contract manufacturing arrangement with a Vendor effective from 1 July 2021, with a lock in period of 21 months. Vendor is presently holding company's certain equipment and security deposit, as part of understanding. Subsequently Agreement was terminated by the Company, on 3 May 2022 on account of various defaults/breaches by Vendor. Vendor has claimed certain amount as result of said termination and has initiated conciliation before the Himachal Pradesh Micro and Small Enterprise Facilitation Council. The Company is contesting the dispute, and also has initiated suitable proceedings under law.

43 Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 01st April, 2020
Estimated value of contracts in capital account remaining to be executed [Net of Advance of Rs. 50.54 [(31st March, 2021: 836.64, 01st April, 2020: 2,322.96)]	676.24	3,525.66	2,993.68

44 Employee Benefits Plans

(i) Defined contribution plan

The Company makes contributions to Provident Fund and Employee's Pension Scheme, 1995. The contributions payable under this scheme by the Company are at rates specified in the rules of the scheme. The Company has no further obligation towards the scheme beyond the aforesaid contributions. The Company has recognised the following amounts in the Statement of Profit and Loss.

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Amount recognised in the statement of profit and loss :-		
(i) Contribution to provident fund	267.91	245.81
(ii) Contribution to ESIC	2.15	2.06

(ii) Defined benefit plan :

A) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund.

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Actuarial assumptions for defined benefit plan :-		
Discount rate	7.23% p.a.	6.80% p.a.
Expected return on plan assets	7.23% p.a.	6.80% p.a.
Salary escalation	6.00% p.a.	6.00% p.a.
Attrition rate	4.00% p.a.	4.00% p.a.
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Change in Defined Benefit Obligation (DBO) during the year

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Obligation as at the beginning of the year	392.33	303.44
Current Service cost	71.28	63.91
Interest Cost	26.68	20.76
Actuarial (Gains)/Losses		
- due to change in demographic assumptions	(0.10)	4.85
- due to change in financial assumptions	(13.35)	4.42
- due to experience	7.06	(5.05)
Benefits paid	(71.33)	-
Obligation as at the year end	**412.57**	**392.33**

Reconciliation of plan assets

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
Balance at the beginning of the year	399.07	298.12
Expected return on plan assets	27.14	20.39
Actuarial Gains/ (Losses)	(6.83)	(5.15)
Contribution by the Company	88.03	85.71
Benefits paid	(71.33)	-
Balance at the end of the year	**436.08**	**399.07**

Net Liability / (Asset) recognised in Balance Sheet

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 01st April, 2020**
Present Value of Obligation	412.57	392.33	303.44
Fair Value of Plan Assets	412.57	392.33	298.12
Liability /(Asset) recognised in the Balance Sheet ^	-	-	5.32
(i) Current	-	-	5.32
(ii) Non Current	-	-	-

^ Excess of fair value of plan asset over present value of obligation amounting to Rs. 23.51 Lakhs had been expensed of to the Statement of Profit and Loss (Rs. 16.76 Lakhs during the year ended 31 March 2022 and Rs. 6.75 Lakhs during the year ended 31 March 2021.)

Expense recognised in Statement of Profit and Loss

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
Current Service Cost	71.28	63.91
Interest Cost	26.68	20.76
Expected return of Plan Assets	(27.14)	(20.39)
Expenses recognised	**70.82**	**64.28**

Remeasurement of defined benefit obligation recognised in Other Comprehensive Income

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
Actuarial (Gain)/Loss on defined benefit obligation	(6.39)	4.22
Actuarial (Gain)/Loss on plan assets	6.83	5.15
Total amount recognised in other comprehensive income	**0.44**	**9.37**

Major Category of Plan Assets
The defined benefit plan of the Company is funded and the Company makes contribution to recognised funds (Insurance funds) in India.

Insurance Fund	100%	100%

Sensitivity Analysis
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
Delta Effect of +1% Change in Rate of Discounting	(28.08)	(28.19)
Delta Effect of -1% Change in Rate of Discounting	32.38	32.53
Delta Effect of +1% Change in Rate of Salary Increase	31.38	30.81
Delta Effect of -1% Change in Rate of Salary Increase	(27.85)	(27.10)
Delta Effect of +1% Change in Rate of Employee Turnover	0.82	(1.04)
Delta Effect of -1% Change in Rate of Employee Turnover	(1.16)	0.85

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Risk Exposure
a) Interest rate risk : A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

b) Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

c) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

d) Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

e) Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

f) Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company.

Maturity analysis of projected benefit obligation

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 01st April, 2021
Year 1	56.02	52.89	38.25
Year 2	36.33	16.62	9.45
Year 3	39.13	34.03	14.83
Year 4	25.28	33.95	28.38
Year 5	28.05	24.01	21.49
Year 6-10	181.87	183.84	124.58
Year 11 and above	454.60	417.39	419.14

B) Compensated absence

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 01st April, 2021
Amount recognised in the balance sheet:			
Non-current	225.99	229.06	144.00
Current	27.15	25.69	12.53

45 Corporate Social Responsibility Expenditure (CSR)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Amount required to be spent by the Company	75.92	6.96
Amount spent by the Company		
i) Construction / acquisition of any asset	-	-
ii) On purpose other than (i) above	76.00	6.96
Amount of shortfall	-	-
Amount of cumulative shortfall	-	-
Nature of CSR activities		
Contribution for educational purposes	76.00	-
Contribution towards "Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)"	-	6.96

In the financial year 2020-21, company has paid CSR for the FY 2019-20 & FY 2020-21.

46 Revenue from contract with customers

The reconciling items of revenue recognised in the statement of profit and loss with the contracted price are as follows :-

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue as per contracted price, net of returns	63,647.54	71,006.78
Less:-		
Provision for sales return	1,700.04	998.74
Rebates, discounts, claims and others	4,722.20	3,751.22
Revenue from contract with customers	57,225.30	66,256.82

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 01st April, 2021
Contract balances			
Trade receivables	1,335.03	1,415.78	1,182.73
Contract liabilities	662.79	234.85	359.20

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

The Company has recognized revenue of Rs. 234.85 Lakhs (31st March 2021: Rs. 359.20 Lakhs) from the amounts included under advance received from customers at the beginning of the year.

47 Leases

The Company has applied lnd AS 116 "Leases" to all lease contracts using the modified retrospective method. Accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has excercised judgement in determining whether extension and termination options are reasonably certain to be excercised. Expenses relating to short-term leases and low-value assets for year ended March 31, 2022 is Rs. 74.65 Lacs (March 31, 2021 : Rs. 97.07 Lacs).

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 01st April, 2021
Lease liabilities - maturity analysis - contractual undiscounted cashflows			
Not later than one year	911.77	826.68	561.28
Later than one year and not later than five years	1,206.79	1,423.20	1,471.48
Later than five years	166.06	267.80	362.22
	2,284.62	**2,517.68**	**2,394.98**

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Movement of lease liabilities		
Opening balance	2,179.40	1,987.56
Addition	836.01	845.47
Interest on lease liabilities	167.78	154.90
Deletion	240.90	130.89
Payment towards lease liabilities	947.67	677.64
Closing balance	**1,994.62**	**2,179.40**

(All amounts in Rs. Lakhs, unless stated otherwise)

48 Disclosure as required by the Micro, Small & Medium Enterprises Development Act, 2006 are as under

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	282.21	175.80
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.66	1.14
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	97.60	64.97
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.66	1.14
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

49 Segment Reporting

The Chief Operating Decision Maker ('CODM') evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Company's reportable segments are "Within India" and "Outside India". The reportable segments derives their revenues from the sale of "Processed Foods".

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
	Within India	Outside	Within India	Outside
Revenue from Operations	49,784.72	7,632.44	57,483.30	9,185.14
Carrying amount of segment assets *	38,866.83	-	42,516.00	-
Capital Expenditure	4,824.96	-	6,301.96	-

* Excluding Advance income tax and Balance with government authorities

50 Related party disclosures

Names of related parties and nature of relationship

Entities having a signifcant influence	Artal Asia Pte Ltd.* General Atlantic Singapore CF Pte Ltd Wildflower Private Trust*
Key Management Personnel	Navin Tewari, Managing Director (wef 1st January, 2021 to 20th January, 2022) Ajay Kumar Gupta, Director (wef 1st January 2021 ; he has been Managing Director upto 31st December 2020) Kabir Sahani, Director (upto 31st December,2020)
Directors	Francis Cukierman* Shantanu Rastogi*

* There are no transactions with the parties

Disclosure of transactions with related parties during the year and outstanding balance as at the year end:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A) Transaction during the year with the Key Management Personnel		
Directors' remuneration	685.24	965.56
Share based payment expenses *	(116.43)	534.56
B) Transaction during the year with the entities having a significant influence		
Preference share capital redeemed and equity shares issued (Including Securities Premium):		
General Atlantic Singapore CF Pte Ltd	-	1,806.63
The following table shows the break up of Directors' remuneration		
Directors' remuneration		
Ajay Gupta	251.73	779.80
Other	433.51	185.76

Key Management Personnel (KMP) who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

* Reversal in charge during the year ended 31 March 2022 is due to lapse of stock options to key managerial personnel.

(All amounts in Rs. Lakhs, unless stated otherwise)

51 Earnings Per Share

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(Loss)/Earnings Per Share:		
Basic		
(Loss) / Profit after tax	(743.09)	6,873.87
Nominal value of shares outstanding	10.00	10.00
Weighted average number of shares outstanding	34,94,433	34,64,750
Basic (In Rs.)	(21.26)	198.39
Diluted		
(Loss) / Profit after tax	(743.09)	6,873.87
Nominal value of shares outstanding	10.00	10.00
Weighted average number of shares outstanding	34,94,433	34,64,750
Add: Weighted average number of potential equity shares on account of employee stock options *	-	16,409
Weighted average number of shares outstanding for diluted Earning Per Shares	34,94,433	34,81,159
Diluted (In Rs.)	(21.26)	197.46

* Stock Options are excluded from calculating weighted avergae number of outstanding equity shares for the purpose of diluted EPS for the year ended March 31, 2022 as these are anti dilutive.

52 First Time adoption (FTA)

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS).

The company has adopted Ind AS as notified by the Ministry of Corporate Affairs with effect from April 01, 2021, with a transition date of April 01, 2020. These financial statements for the year ended March 31, 2022 are the first financial statements prepared by the Company under Ind AS. For all periods upto and including the year ended March 31, 2021, the company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2022, together with the comparative information as at and for the year ended March 31, 2021. The Company's opening Ind AS Balance Sheet has been prepared as at April 1, 2020, the date of transition to Ind AS.

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 1, 2020 and the financial statements as at and for the year ended March 31, 2021.

Ind AS optional exemptions

a) Share-based payments

The Company has elected to apply Ind AS 102 Share-based payments to equity instruments that remain unvested as of transition date.

The Company has elected to avail this grant date fair value exemption and apply the requirements of Ind AS 102 to all the grants under ESOP plans. Accordingly, these options have been measured at fair value as against intrinsic value under Indian GAAP.

b) Deemed cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value.

c) Leases

An entity has to assess whether a contract or arrangement contains a lease as per Ind AS 116. As a first time adopter, entity has an option to make this assessment on the basis of facts and circumstances existing at the date of transition as per Ind AS 101. The Company has elected to apply this exemption for such contracts/arrangements.

Under Ind AS 101 an entity can elect not to apply the requirement to create a right of use asset and lease liability as on the date of transition with respect to the leases for which the lease term ends within 12 months of the date of transition. The Company has opted to apply this practical exemption and has not recognized a right of use asset and a corresponding lease liability in respect of leases where the lease term ends within 12 months from the date of transition.

Ind AS mandatory exceptions

a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2020 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

1) Impairment of financial assets based on expected credit loss model; and

2) Share-based payments.

b) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition provisions prospectively from the date of transition to Ind AS.

c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliations between Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cashflows for prior periods. The following tables represent the reconciliations from Indian GAAP to Ind AS.

Reconciliation of Total Equity as at March 31, 2021 and April 1, 2020

Particulars	As at 31st March, 2021	As at 01 April, 2020
Total equity as per Indian GAAP	**22,293.60**	**14,340.88**
Add/(Less): Adjustments under Ind AS		
Effect of measurement of leases as per Ind AS 116	(113.88)	-
Fair valuation of security deposits	8.88	-
Provision for expected credit loss on trade receivables	(12.44)	(16.90)
Effect of measuring financial assets at fair value through profit or loss	1,265.90	879.12
Deferred Tax	(289.05)	(217.01)
Income tax effect on Gain/Loss on re-measurements of the defined benefit plans through Other comprehensive income	2.36	-
Total equity as per Ind AS	**23,155.37**	**14,986.09**

Reconciliation of Total Comprehensive Income for the year ended March 31, 2021

Particulars	Year ended 31st March, 2021
Net Profit as per Indian GAAP	**7,946.47**
Add/(Less): Adjustment under Ind AS	
Impact of share based payment expenses measured under IND AS	(1,296.17)
Effect of measurement of leases as per Ind AS 116	(113.88)
Fair valuation of security deposits	8.88
Provision for expected credit loss on trade receivables	4.46
Effect of measuring financial assets at fair value through profit or loss	386.78
Re-measurements of the defined benefit plans	9.37
Deferred Tax	(72.04)
Net Profit as per Ind AS	**6,873.87**
Other comprehensive income for the period	
Gain/(Loss) on re-measurements of the defined benefit plans	(9.37)
Income tax effect on above	2.36
Total comprehensive income as per Ind AS	**6,866.86**

Reconciliation of Cash Flows for the year ended March 31, 2021

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	7,853.12	755.13	8,608.25
Net cash flow from investing activities	(10,651.56)	(82.78)	(10734.34)
Net cash flow from financing activities	2,875.28	(672.35)	2,202.93
Net (decrease)/increase in cash and cash equivalents	**76.84**	-	**76.84**
Cash & cash equivalents as at April 01, 2020	**55.59**	-	**55.59**
Cash and cash equivalents as at March 31, 2021	**132.43**	-	**132.43**

C. Notes to first-time adoption:

a) Share based payment expenses

Under Indian GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in ESOP reserve is increased by Rs. 1,710.82 Lakhs as at March 31, 2021 (April 01, 2020 - Rs. 414.65 Lakhs). The profit for the year ended March 31, 2021 decreased by Rs. 1,296.17 Lakhs. There is no impact on total equity.

b) Fair valuation of mutual funds

Under the previous GAAP, investment in mutual funds were carried at cost or fair value whichever is lower. Under Ind AS, these instruments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2021

c) Leases

Under Ind AS, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has excercised judgement in determining whether extension and termination options are reasonably certain to be excercised. Subsequently, the lease liability is accounted as a financial liability under Ind AS 109, "Financial instruments" and right of use asset is amortized over period of lease.
Under IGAAP, the lessee recognised lease rentals for operating leases as an expense in the statement of profit or loss as and when incurred.

d) Fair valuation of lease deposit

Under Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as right of use asset.

e) Expected credit loss

Under previous GAAP, the Group had created provision for doubtful debts based on specific amount for incurred losses. Under Ind AS, the allowance for doubtful debts has been determined based on expected credit loss model.

f) Re-measurements of the defined benefit plans

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.

g) Deferred tax

Deferred Tax have been recognised on the adjustments made on transition to Ind AS.

(All amounts in Rs. Lakhs, unless stated otherwise)

53 Share based payments

Capital Foods Employee Stock Option Plan 2019 (ESOP 2019): The shareholders by its resolution dated October, 9, 2019 approved ESOP 2019 plans for granting Employee Stock Options to eligible employees. Each Option entitles holder to one equity share (of face value Rs. 10 each) of the company. In terms of resolutions Board was authorised to formulate the schemes and decide the criteria for grant of options. Board by its resolution dated 18 November 2019 and other relevant resolutions, formulated the various schemes, and identified the eligible employees for grant.

Capital Foods Employee Stock Option Plan 2020 (ESOP 2020): The shareholders by its resolution dated December, 28 2020 approved ESOP 2020 plans for granting Employee Stock Options to eligible employees. Each Option entitles holder to one equity share (of face value Rs. 10 each) of the company. In terms of resolutions Board was authorised to formulate the schemes and decide the criteria for grant of options. Board by its resolution dated 21 January 2021, formulated the various schemes, and identified the eligible employees for grant.

Particulars	**ESOP 2019**		**ESOP 2020**	
	No of options	**Date of Grant**	**No of options**	**Date of Grant**
Date of Grant	1,11,078	18-Nov-19	54,646	29-Jan-21
	4,984	03-Dec-19	29,550	22-Jan-21
	9,092	20-Jan-20	1,000	25-Mar-21
	22,612	05-Oct-20	2,000	02-Jun-21
	900	07-Oct-20	4,180	16-Nov-21
	3,001	04-Nov-20		
	3,500	22-Jan-21		
	1,121	16-Nov-21		
Number of Options Granted	1,56,288		91,376	
Exercise Period	A period of 7 years from the date of listing of Shares on the stock exchange for Continuing Employee or Deceased Employee and a period of 3 years from the date of listing of Shares on the stock ex-change for Ex-Employees, unless the Board decides otherwise.			
Exercise Price (Rs.)	4,791.92		7,489.20	

Particulars	**As at March 31, 2022**		**As at March 31, 2021**		**As at 01 April, 2020**	
	Average exercise price per share option (Rs)	**Number of options**	**Average exercise price per share option (Rs)**	**Number of options**	**Average exercise price per share option (Rs)**	**Number of options**
Opening Balance (ESOP 2019)	-	**1,48,484**	-	**1,25,154**	-	-
Opening Balance (ESOP 2020)	-	**85,196**	-	-	-	-
Granted during the year (ESOP 2019)	9,642.00	1,121	7,371.87	30,013	4,129.80	1,25,154
Granted during the year (ESOP 2020)	8,911.90	6,180	7,386.00	85,196	-	-
Excercised during the year	-	-	-	-	-	-
Forfeited during the year (ESOP 2019)	4,735.74	39,087	4,444.11	6,683	-	-
Forfeited during the year (ESOP 2020)	7,386.00	67,141	-	-	-	-
Closing Balance (ESOP 2019)		**1,10,518**		**1,48,484**		**1,25,154**
Closing Balance (ESOP 2020)		**24,235**		**85,196**		**-**
Vested and excercisable (ESOP 2019)	4,587.67	82,602	4,077.08	37,723	-	-
Vested and excercisable (ESOP 2020)	7,386.00	1,000	-	-	-	-

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

ESOP 2019					
Grant Date	**Expiry Date**	**Exercise Price (Rs)**	**Number of options as at 31 March 2022**	**Number of options as at 31 March 2021**	**Number of options as at 01 April 2020**
18-Nov-19	31-Mar-31	4,115.97	78,363	1,07,433	1,11,078
03-Dec-19	31-Mar-31	3,864.44	4,984	4,984	4,984
20-Jan-20	31-Mar-31	4,444.11	3,056	6,054	9,092
05-Oct-20	31-Mar-31	7,370.00	16,962	22,612	-
07-Oct-20	31-Mar-31	7,370.00	662	900	-
04-Nov-20	31-Mar-31	7,370.00	3,001	3,001	-
22-Jan-21	31-Mar-31	7,386.00	2,619	3,500	-
16-Nov-21	31-Mar-31	9,642.00	871	-	-
Total			**1,10,518**	**1,48,484**	**1,25,154**
Weighted average remaining contractual life of options outstanding at end of period			9.00	10.00	11.00

ESOP 2020					
Grant Date	**Expiry Date**	**Exercise Price (Rs)**	**Number of options as at 31 March 2022**	**Number of options as at 31 March 2021**	**Number of options as at 01 April 2020**
29-Jan-21	31-Mar-31	7,386.00	-	54,646	-
22-Jan-21	31-Mar-31	7,386.00	17,555	29,550	-
25-Mar-21	31-Mar-31	7,386.00	500	1,000	-
02-Jun-21	31-Mar-31	7,386.00	2,000	-	-
16-Nov-21	31-Mar-31	9,642.00	4,180	-	-
Total			**24,235**	**85,196**	**-**
Weighted average remaining contractual life of options outstanding at end of period			9.00	10.00	11.00

Fair value of options granted:-

The fair value at grant date of options granted during the year ended 31 March 2022 was Rs. 3,249.96 per option (31 March 2021 – Rs. 2,924.93). The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2022 included:

a) Exercise price - Rs. 9,024 (31 March 2021 - Rs. 7,382.32)
b) Grant date - as disclosed above in the table.
c) Expiry date - 31 March 2031 (31 March 2021 - 31 March 2031)
d) Share price at grant date - Rs. 9,024 (31 March 2021 - Rs. 7,382.32)
e) Expected price volatility of the company's shares - 49.48% (31 March 2021 - 48.46%)
f) Expected dividend yield - Nil (31 March 2021 - Nil)
g) Risk-free interest rate - 6.15% (31 March 2021 - 6.09%)
The expected price volatility is based on the peer volatility.

Effect of Share-based payment plan on the Balance Sheet and Statement of Profit and Loss:

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Expense arising from employee share-based payment plan	374.12	1,302.41

(All amounts in Rs. Lakhs, unless stated otherwise)

54 Financial Ratios

Ratios and Formulae	31st March, 2022	31st March, 2021	% Variance	Reason for variance
(i) Current Ratio = (Current assets / Current liabilities)	1.22	1.57	-22.29%	
(ii) Debt-equity ratio = (Total debt/ Shareholder's equity)	0.16	0.18	-11.11%	
(iii) Debt service coverage ratio = (Profit before tax +Depreciation+ Interst on long term loans) / (Finance cost + Principal repayments made during the period for long term debt)	1.40	65.14	-97.85%	Decline is due to lower contribution and profitability.
(iv) Return on equity ratio % = (Net profit after tax/ Average shareholder's equity)	-3.23%	36.04%	-108.97%	Decline is due to lower contribution and profitability.
(v) Inventory turnover ratio = (Cost of goods sold / Average inventory)	5.50	5.28	4.17%	
(vi) Trade receivables turnover ratio = (Net sales / Average trade receivables)	41.61	51.00	-18.41%	
(vii) Trade payables turnover ratio = (Net purchases / Average trade payables)	9.26	10.74	-13.78%	
(viii) Net capital turnover ratio = (Net sales / Average working capital)	9.62	10.08	-4.56%	
(ix) Net profit ratio margin % = (Net profit after tax / Revenue from operations)	-1.29%	10.31%	-112.55%	Decline is due to lower contribution and profitability.
(x) Return on capital employed % = [(Earning before interest and tax)/ (Capital Employed)] (Capital Employed = Total assets - Current liabilities)	-2.76%	34.51%	-108.01%	Decline is due to lower contribution and profitability.
(xi) Return on investment % = [(Net profit after tax)/ (Capital invested)] (Capital invested = Debt+Equity)	-2.81%	25.18%	-111.17%	Decline is due to lower contribution and profitability.

55 Additional regulatory information required by schedule III

i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

iii) Requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017 - Not applicable to the Company.

iv) Utilisation of borrowed funds and share premium
I. The Company has 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

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vi) The Company has not traded or invested in crypto currency or virtual currency during the year.

vii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

viii) The Company has not revalued its Property, plant and equipment (Including Righut of use assets) and intangible assets during the year / previous year.

ix) The Company has not entered into any scheme of arrangement during current year / previous year which has an accounting impact.

x) The Company has not given any loans and advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013).

xi) The Company has borrowings from bank on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts.

xii) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements, are held in the name of the company.

xiii) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

xiv) The Company do not have any transactions with companies struck off as per Section 248 of the Companies Act, 2013 and Section 560 of the Companies Act, 1956.

56 Previous year figures have been reclassified / regrouped, wherever necessary, to conform to this year's classification.

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: September 13, 2022

For and on behalf of Board of Directors

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Ahmedabad
Date: September 13, 2022

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: September 13, 2022

Vinit Shukla
Company Secretary
Membership No: F11186
Place: Mumbai
Date: September 13, 2022

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of Capital Foods Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Capital Foods Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and its cash flows for the year then ended.

Basis for opinion

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

Other Information

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

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

6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and 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.

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai – 400 028
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Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi – 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Responsibilities of management and those charged with governance for the financial statements

7. The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

11. 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.

Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

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

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements;

(ii) The Company has long-term contracts as at March 31, 2021 for which there were no foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

(iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

14. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company. Also refer paragraph 11 of Annexure B.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N-500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 21118785AAAACC8092

Place: Mumbai
Date: July 19, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of Capital Foods Private Limited on the financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Capital Foods Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. 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 system with reference to financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of Capital Foods Private Limited on the financial statements for the year ended March 31, 2021

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N-500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 21118785AAAACC8092

Place: Mumbai
Date: July 19, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Capital Foods Private Limited on the financial statements as of and for the year ended March 31, 2021

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties other than self-constructed properties, as disclosed in Note 13 on Property, Plant and Equipment to the financial statements, are held in the name of the Company.

ii The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of provident fund and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including professional tax, goods and service tax, employees' state insurance and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 33 (b) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of customs, duty of excise and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales-tax and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	**Nature of dues**	**Amount (Rs. in Lakhs) *#**	**Period to which the amount relates**	**Forum where the dispute is pending**
Gujarat Value Added Tax, 2003	Sales Tax	1,925.19	2010-11	Deputy Commissioner – Commercial Tax
Gujarat Value Added Tax, 2003	Sales Tax	211.89	2009-10	Joint Commissioner
Income Tax Act 1961	Income Tax	13.57	2007-08	High Court

* Net of amounts paid under protest.
# Including interest and penalty

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures.

ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. [Also refer paragraph 14 of our main audit report]

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has not entered into any transactions with related parties covered under the Section 188 of the Act. The details of related party transactions disclosed in the financial statements are as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N-500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 21118785AAAACC8092

Place: Mumbai
Date: July 19, 2021

M/S CAPITAL FOODS PRIVATE LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH,2021

Villa Capital, Sadhana Compound,
S.V. Road, Jogeshwari West,
Mumbai-400 102 (India)
Tel: 022 67740100

Capital Foods Private Limited
Balance Sheet as at 31st March 2021
(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note	As at 31st March 2021	As at 31st March 2020
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' Funds**			
	Share Capital	3	349.44	2,151.62
	Reserves and Surplus	4	21,944.16	12,189.26
2	**Non-current Liabilities**			
	Long term borrowings	5	2,474.23	75.24
	Long term provisions	6	229.06	144.00
	Deferred tax Liabilities (Net)	7	642.08	284.87
	Other Non current liabilities	8	58.34	62.42
3	**Current Liabilities**			
	Short term borrowings	9	920.85	997.94
	Trade payables	10		
	- Total outstanding dues of micro enterprises and small enterprises; and		176.94	150.95
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		10,021.67	7,581.15
	Other current liabilities	11	3,630.11	2,031.19
	Short term provisions	12	39.41	31.57
	TOTAL		**40,486.29**	**25,700.21**
II.	**ASSETS**			
1	**Non-current Assets**			
	Property, Plant and Equipment (Tangible Assets)	13	13,137.71	6,409.41
	Intangible assets	13	162.19	152.69
	Capital work-in-progress	13	971.57	2,231.27
	Non current investments	14	0.50	0.50
	Long term loans and advances	15	3,085.08	2,299.32
2	**Current Assets**			
	Current Investments	16	12,375.13	7,743.63
	Inventories	17	7,180.34	3,931.08
	Trade receivables	18	1,428.22	1,199.63
	Cash and Bank Balances	19	231.65	72.03
	Short term loans and advances	20	1,913.90	1,660.65
	TOTAL		**40,486.29**	**25,700.21**

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

For and on behalf of Board of Directors

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: July 19, 2021

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Mumbai
Date: July 19, 2021

Navin Tewari
Managing Director & CEO
DIN : 0008971546
Place: Ghaziabad
Date: July 19, 2021

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: July 19, 2021

Vinit Shukla
Company Secretary
Membership No: F11186
Place: Mumbai
Date: July 19, 2021

Capital Foods Private Limited
Statement of Profit and Loss for the year ended 31st March 2021
(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note	Year ended 31st March 2021	Year ended 31st March 2020
I.	Revenue from Operations	21	70,354.70	44,520.61
II.	Other Income	22	367.15	378.66
III.	**Total Revenue (I + II)**		**70,721.85**	**44,899.27**
IV.	**Expenses:**			
	Cost of materials consumed	23	27,534.69	19,820.01
	Purchase of Stock in Trade		3,109.62	1,200.42
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(1,334.34)	(566.18)
	Employee benefits expense	25	6,845.16	5,179.50
	Finance costs	26	62.46	48.30
	Depreciation and amortization expense	13	813.26	712.93
	Other expenses	27	23,129.55	17,617.41
	Total expenses		**60,160.40**	**44,012.39**
V.	**Profit before tax (III - IV)**		10,561.45	886.88
VI.	**Tax Expenses:-**			
	Current tax		2,257.77	-
	Less: Minimum Alternate Tax Written off		-	344.75
	Deferred tax	7	357.21	213.91
VII.	**Profit after tax for the year (V-VI)**		**7,946.47**	**328.22**
	Earnings per equity share [Nominal value per share: Rs. 10 (31st March, 2020: Rs. 10)]	34		
	Basic Earning Per Share in Rs.		229.35	9.42
	Diluted Earning Per Share in Rs.		227.25	9.42

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: July 19, 2021

For and on behalf of Board of Directors

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Mumbai
Date: July 19, 2021

Navin Tewari
Managing Director & CEO
DIN : 0008971546
Place: Ghaziabad
Date: July 19, 2021

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: July 19, 2021

Vinit Shukla
Company Secretary
Membership No: F11186
Place: Mumbai
Date: July 19, 2021

Capital Foods Private Limited
Cash Flow Statement for the year ended 31st March 2021
(All amounts in Rs lakhs, unless stated otherwise)

Notes
The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 "Cash Flow Statements" as notified under section 133 of the Companies Act, 2013.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: July 19, 2021

For and on behalf of Board of Directors

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Mumbai
Date: July 19, 2021

Navin Tewari
Managing Director & CEO
DIN : 0008971546
Place: Ghaziabad
Date: July 19, 2021

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: July 19, 2021

Vinit Shukla
Company Secretary
Membership No: F11186
Place: Mumbai
Date: July 19, 2021

Note : 1 : Corporate Information

The Company was incorporated on September 9, 2003 as Capital Foods Private Limited (CFPL) with its registered office in Mumbai (Oshiwara, Jogeshwari). Capital Foods Private Limited belongs to the FMCG sector and is engaged in processed food manufacturing business.

Head Office of the company is located in Mumbai and there is a branch office in Delhi. The manufacturing plants are located at Kandla, Bhilad, Nahuli and Nashik.

Note : 2 : Summary of significant accounting policies

a) **Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

b) **Tangible Assets**

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met. Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

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".

Depreciation is provided on straight line method, over the estimated useful life of each asset. Assets are depreciated as per useful life specified in Part C of the schedule II of the Act. The useful lives of the assets have been determined based on technical evaluation done by the management's expert and the following asset has a different useful life than prescribed by schedule II of the Act taking into account the nature of assets, their estimated period of use and the operating conditions.

Asset Class	**Useful Life**
Office building	30 years

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

c) **Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. Computer software is amortised over 3 years using straight line method. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

d) **Borrowing costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

e) **Impairment of Assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired.

f) **Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

g) **Inventories**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

h) **Foreign currency translation**

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign currency denominated monetary assets and liabilities at the year end are translated at the year-end exchange rates, and the resultant exchange difference is recognised in the Statement of Profit and Loss.

i) **Revenue recognition**

Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods and are recognised net of trade discounts, rebates, sales taxes, excise duties and Goods and Service Tax

Transport Assistance Subsidy from Agricultural and Processed Food Products Exports Development Authority (APEDA) receivable has been recognized as revenue on net realizable value based on eligibility and there is no uncertainty in receiving the same.

Income from duty drawback and premium of sale of import licences is recognised on an accrual basis.

j) **Other Income**

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

k) **Employee Benefits**

Defined Contribution Plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined Benefit Plan

Gratuity: The Company provides for retirement/ post-retirement benefits in the form of Gratuity (funded) which are in the nature of Defined Benefit Plans. Such benefits are provided for on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised in the Statement of Profit and Loss in the year in which they arise. The Company's liability is actuarially determined (using Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Other Employee Benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

l) **Current Tax and Deferred Tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

m) **Provisions and Contingent Liabilities**

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

n) **Accounting for Leases**

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

o) **Government Grant**

Government grants received against specific fixed assets are reduced from the cost of the respective fixed asset. Government grants received towards depreciable assets but not against specific fixed assets are treated as deferred income. Grants related to revenue are recognised in the Statement of Profit and Loss by deducting the same against related expenses for which it is granted.

The Company has treated the subsidy received from the Ministry of Food Processing Industry as deferred income, which is recognised in the Statement of Profit and Loss by way of allocation to income over the period in proportion to the rate of depreciation applicable to Plant and Machinery.

p) **Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses is identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated corporate expenses/income".

q) **Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

r) **Earning 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity 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 is adjusted for the effects of all dilutive potential equity shares.

s) **Use of Estimates**

The preparation of the Financial Statements in conformity with the generally accepted accounting principals (GAAP) requires the management to make estimates and assumptions that effect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements. Management believes that the estimate made in the preparation of the financial statements are prudent and reasonable. Actual results may differ from those estimates. Any revision to the accounting estimates are recognised prospectively in the current and future period. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Share Capital

Particulars	As at 31st March 2021	As at 31st March 2020
Authorised		
2,07,50,000 (31st March 2020: 2,07,50,000) Equity Shares of Rs. 10 each	2,075.00	2,075.00
2,00,00,000(31st March 2020: 2,00,00,000) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	2,000.00	2,000.00
Issued, Subscribed and Paid up		
34,94,433 (31st March 2020: 34,49,909) Equity Shares of Rs. 10 each	349.44	344.99
Nil (31st March 2020: 1,80,66,326) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	-	1,806.63
Total	**349.44**	**2,151.62**

a. Reconciliation of the number of shares:
Equity Shares

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	Rs. In Lakhs	Number of Shares	Rs. In Lakhs
Balance as at the beginning of the year	34,49,909	344.99	34,93,387	349.34
Less: Shares bought back during the year	-	-	(43,478)	(4.35)
Add: Issued during the year	-	-	-	-
Add: Preference Shares converted to Equity Shares	44,524	4.45	-	-
Balance as at the end of the year	34,94,433	349.44	34,49,909	344.99

0.1% Non-Cumulative Preference Shares

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	Rs. In Lakhs	Number of Shares	Rs. In Lakhs
Balance as at the beginning of the year	1,80,66,326	1,806.63	-	-
Shares issued during the year	-	-	1,80,66,326	1,806.63
Shares Converted in to Equity Shares during the year	(1,80,66,326)	(1,806.63)	-	-
Balance as at the end of the year	-	-	1,80,66,326	1,806.63

b. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

% of Shareholding	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	% Holding	Number of Shares	% Holding
Equity Shares				
Artal Asia Pte Ltd.	13,95,700	39.94%	13,95,700	40.46%
General Atlantic Singapore CF Pte Ltd	12,38,203	35.43%	11,93,679	34.60%
Wildflower Private Trust	7,71,430	22.08%	7,71,430	22.36%
0.1% Non-Cumulative Preference Shares				
General Atlantic Singapore CF Pte Ltd	-	-	1,80,66,326	100.00%

(All amounts in Rs. Lakhs, unless stated otherwise)

c. Terms/rights attached to equity shares.

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

d. Terms/rights attached to 0.1% Non-Cumulative preference shares.

During the year Company has converted 1,80,66,326, 0.1 % Non-Cumulative Preference shares into 44,524 equity shares, at a conversion price of Rs. 4,057.66 per equity share, as per the request received from the holder of 0.1% Non-Cumulative preference shares, namely General Atlantic Singapore CF Pte Ltd. The conversion was approved by Board of director at their meeting held on 2 December, 2020.

In the previous year, the company has issued 1,80,66,326 non-cumulative, 0.1% compulsorily convertible preference shares (CCPS) having face value of Rs. 10 each for an aggregate consideration of Rs. 18,06,63,260 to General Atlantic Singapore CF Pte Ltd (Purchaser). The conversion price was agreed to be Rs.4,057.66 (four thousand fifty seven rupees sixty six paise). At a conversion price of Rs. 4,057.66, the number of Equity Shares to be allotted to the Purchaser upon conversion of all the CCPS were 44,524 Equity Shares.

Note : 4 : Reserves and Surplus

Particulars	As at 31st March 2021	As at 31st March 2020
Securities Premium		
Balance as at the beginning of the year	11,512.15	12,454.32
Add : Securities premium credited on Share issue	1,802.19	-
Less : Premium Utilised for Buy-Back of Shares	-	(942.17)
Balance as at the end of the year	**13,314.34**	**11,512.15**
Surplus in the statement of profit and loss		
Balance as at beginning of the year	671.49	562.45
Add: Net Profit for the current year	7,946.47	328.22
Less : Tax on distributed income due to Buy-Back of Shares	-	(219.18)
Balance as at end of the year	**8,617.96**	**671.49**
ESOP Reserve		
Balance as at beginning of the year	5.62	-
Add: Reserves created during the year (Refer Note 41)	6.24	5.62
Balance as at end of the year	**11.86**	**5.62**
Total	**21,944.16**	**12,189.26**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 5 : Long Term Borrowings

Particulars	As at 31st March 2021	As at 31st March 2020
Secured Loans:		
Term Loans from a bank		
Foreign Currency Loans	2,474.23	75.24
Total	**2,474.23**	**75.24**

Nature of security and terms of repayment for secured borrowing

Nature of Security	Terms of Repayment
Foreign Currency Term loan - 1, amounting to Rs. NIL (March 31, 2020 Rs. 38.57 lakhs)*	Repayable in 60 monthly installments beginning from December 2015 till December 2020. The loan carry fixed interest rate of 5.15% p.a. (March 31, 2020 5.15% p.a.) The loan has been repaid during the year.
Foreign Currency Term loan - 2, amounting to Rs. 73.07 lakhs # (March 31, 2020 Rs. 168.71 lakhs)*	Repayable in 60 monthly installments beginning from January 2017, till December 2021 The loan carry fixed interest rate of 6.5% p.a. (March 31, 2020 6.5% p.a.)
Foreign Currency Term loan - 3, amounting to Rs. 2,660.85 lakhs # (March 31, 2020 Rs. NIL)*	Repayable in 60 monthly installments beginning from December 2020, till November 2025 The loan carry fixed interest rate of 1.95% p.a.
Foreign Currency Term loan - 4, amounting to Rs. 488.18 lakhs# (March 31, 2020 Rs. NIL)*	Repayable in 60 monthly installments beginning from December 2020, till November 2025 The loan carry fixed interest rate of 1.95% p.a.
The amount mentioned include installments falling due within a year aggregating to Rs 747.87 Lakhs (31st March, 2020: Rs 132.04 lakhs) have been grouped under Current maturities of long-term debts (Refer note 11)	
# The Foreign Currency Term loans are secured by primary security of hypothecation of entire current assets of the company consisting of inventory and book debts and collateral security of mortgage of Plant and Machinery and Land at Nashik Plant and Nahuli Plant	
* The Foreign Currency Term loans are secured by primary security of hypothecation of entire current assets of the company consisting of inventory and book debts and collateral security of mortgage of Land at Nashik Plant and Nahuli Plant.	

Note : 6 : Long Term Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Compensated Absences (Refer Note 39)	229.06	144.00
Total	**229.06**	**144.00**

Note : 7 : Deferred tax Liabilities (Net)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred tax liabilities:		
Timing Difference between book and tax depreciation	345.59	231.82
Others	376.45	376.45
Deferred tax assets:		
Unabsorbed tax losses and unabsorbed depreciation	-	240.33
Disallowances under Sections 40(a)(i) and 43B of the Income Tax Act, 1961	79.96	83.07
Total	**642.08**	**284.87**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 8 : Other Non Current Liablilites

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Government Grants	4.09	8.17
Security Deposits	54.25	54.25
Total	**58.34**	**62.42**

Note : 9 : Short Term Borrowings

Particulars	As at 31st March 2021	As at 31st March 2020
Secured		
Working Capital Loan from Bank		
Foreign currency loans - Short Term	920.85	997.94
Total	**920.85**	**997.94**

Nature of security and terms of repayment for secured borrowing (other than debentures)

Nature of Security	Terms of Repayment
Packing Credit limit from a Bank, amounting to Rs. 920.85 lakhs (March 31, 2020 Rs. 997.94 lakhs) is secured by stock in trade meant for Export.	Repayable within 90 days. The loan carries interest rate of Libor plus 1-1.5 % p.a. linked to the lender's PLR as at 31st March, 2021 (i.e 1.13% p.a) (March 31, 2020 : Libor plus 1.5 % p.a.(i.e 2.59% p.a.).

Note : 10 : Trade Payable

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 32)	176.94	150.95
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10,021.67	7,581.15
Total	**10,198.61**	**7,732.10**

Note : 11 : Other Current Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Others		
Current maturities of long-term debt (Refer Note 5)	747.87	132.04
Statutory Dues	437.35	540.80
Capital Creditors	530.62	174.89
Retention money payable	392.73	136.60
Employee Benefits payable	1,281.40	687.66
Advance received from Customers	234.85	359.20
Interest accrued but not due on borrowing	5.29	-
Total	**3,630.11**	**2,031.19**

Note : 12 : Short Term Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Gratuity Provision (Refer Note 39)	-	5.32
Compensated Absences (Refer Note 39)	25.69	12.53
Provision for Taxation [Net of Advance Tax Rs. 147.98 Lakhs (March 31, 2020- Rs. 147.98 Lakhs)]	13.72	13.72
Total	**39.41**	**31.57**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 13 : Property, Plant and Equipment

Sr. No.	Asset Group	Gross Block					Accumulated Depreciation				Net Block
		Balance as at 1st April 2020	Additions	Disposals	Capitalised / (Transferred) during the year	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation / Amortization charge for the year	On disposals	Balance as at 31st March 2021	Balance as at 31st March 2021
(i)	Tangible Assets										
	Buildings	1,676.98	4,268.40	-	-	5,945.38	481.05	100.62	-	581.67	5,363.71
	Land - Freehold	828.10	-	-	-	828.10	-	-	-	-	828.10
	Land - Leasehold	126.00	-	-	-	126.00	14.40	1.80	-	16.20	109.80
	Plant and Equipment	6,531.04	2,347.03	-	-	8,878.07	2,932.36	484.84	-	3,417.20	5,460.87
	Vehicles	222.79	30.99	48.00	-	205.78	106.25	22.95	37.41	91.79	113.99
	Office equipment	220.12	77.86	-	-	297.98	121.61	32.28	-	153.89	144.09
	Computers	181.82	42.24	-	-	224.06	140.61	37.89	-	178.50	45.56
	Furniture and Fixtures	322.59	63.90	-	-	386.49	116.73	25.80	-	142.53	243.96
	Electrical Installation	430.97	657.00	-	-	1,087.97	217.99	42.35	-	260.34	827.63
	Total	**10,540.41**	**7,487.42**	**48.00**	**-**	**17,979.83**	**4,131.00**	**748.53**	**37.41**	**4,842.12**	**13,137.71**
(ii)	Intangible Assets										
	Computer software	322.75	74.23	-	-	396.98	170.06	64.73	-	234.79	162.19
	Total	**322.75**	**74.23**	**-**	**-**	**396.98**	**170.06**	**64.73**	**-**	**234.79**	**162.19**
(iii)	Capital Work In Progress	2,231.27	971.57	-	(2231.27)	971.57	-	-	-	-	971.57
	Total	**2,231.27**	**971.57**	**-**	**(2231.27)**	**971.57**	**-**	**-**	**-**	**-**	**971.57**
	Grand Total (i)+(ii)+(iii)	**13,094.43**	**8,533.22**	**48.00**	**(2231.27)**	**19,348.38**	**4,301.06**	**813.26**	**37.41**	**5,076.91**	**14,271.47**

Notes :
1. Additions during the year include borrowing costs amounting to Rs 6.04 Lakhs (31 March 2020: Nil)
2. Refer Note 5 for information on property, plant and equipment pledged as security by the Company.
3. Refer Note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 13 : Property, Plant and Equipment

Sr. No.	Asset Group	Gross Block					Accumulated Depreciation				Net Block
		Balance as at 1st April 2019	Additions	Disposals	Capitalised / (Transferred) during the year	Balance as at 31st March 2020	Balance as at 1st April 2019	Depreciation / Amortization charge for the year	On disposals	Balance as at 31st March 2020	Balance as at 31st March 2020
(i)	**Tangible Assets**										
	Buildings	1,559.36	117.62	-	-	1,676.98	398.44	82.61	-	481.05	1,195.93
	Land - Freehold	828.10	-	-	-	828.10	-	-	-	-	828.10
	Land - Leasehold	126.00	-	-	-	126.00	12.60	1.80	-	14.40	111.60
	Plant and Equipment	6,025.66	505.38	-	-	6,531.04	2,484.27	448.09	-	2,932.36	3,598.68
	Vehicles	222.79	0.00	-	-	222.79	79.71	26.54	-	106.25	116.54
	Office equipment	168.79	51.33	-	-	220.12	98.66	22.95	-	121.61	98.51
	Computers	149.00	35.00	2.18	-	181.82	111.41	31.09	1.89	140.61	41.21
	Furniture and Fixtures	206.10	116.49	-	-	322.59	98.76	17.97	-	116.73	205.86
	Electrical Installation	374.31	56.66	-	-	430.97	188.15	29.84	-	217.99	212.98
	Total	**9,660.11**	**882.48**	**2.18**	**-**	**10,540.41**	**3,472.00**	**660.89**	**1.89**	**4,131.00**	**6,409.41**
(ii)	**Intangible Assets**										
	Computer software	300.13	22.62	-	-	322.75	118.02	52.04	-	170.06	152.69
	Total	**300.13**	**22.62**	**-**	**-**	**322.75**	**118.02**	**52.04**	**-**	**170.06**	**152.69**
(iii)	**Capital Work In Progress**	246.24	2,890.13	-	(905.10)	2,231.27	-	-	-	-	2,231.27
	Total	**246.24**	**2,890.13**	**-**	**(905.10)**	**2,231.27**	**-**	**-**	**-**	**-**	**2,231.27**
	Grand Total (i)+(ii)+(iii)	**10,206.48**	**3,795.23**	**2.18**	**(905.10)**	**13,094.43**	**3,590.02**	**712.93**	**1.89**	**4,301.06**	**8,793.38**

Notes :
1. Refer Note 5 for information on property, plant and equipment pledged as security by the Company.
2. Refer Note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 14 : Non-current Investments

(Valued at cost, unless stated otherwise)

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Non Trade Investment (Unquoted)		
National Savings Certificate	0.50	0.50
Total	**0.50**	**0.50**

Aggregate amount of unquoted investments	0.50	0.50
Aggregate amount of diminution in value of investments	-	-

Note : 15 : Long Term Loans and Advances

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Unsecured, considered good (unless otherwise stated)		
Capital Advance	836.64	321.91
Security Deposits	287.34	266.84
Advance Income Tax (Net of Prov Rs. 2,464.11 Lakhs, March 31, 2020- Rs. 206.33 Lakhs)	355.78	63.50
Deposits with Government Authorities (Refer Note 33 a))	1,605.32	1,647.07
Total	**3,085.08**	**2,299.32**

Note : 16 : Current Investments

(At cost and fair value, whichever is less)

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Investment in Mutual Funds (Quoted)		
Aditya Birla Sun Life Cash Plus - Growth 1,047,019 Units Units (as at 31st March 2020 - 1,047,019 Units)	2,966.53	2,966.53
Aditya Birla Sun Life Savings Fund - Growth 883,458 Units (as at 31st March 2020 - 450,321 Units)	3,201.06	1,337.65
Aditya Birla Sun Life Cash Liquid Fund - Growth Nil Units (as at 31st March 2020 - 340,327 Units)	-	1,064.45
ICICI Prudential Savings Fund Growth Direct 1,331,510 Units (as at 31st March 2020 - 406,368 Units)	5,387.24	1,575.00
ICICI Prudential Short Term Fund Growth Direct Nil Units (as at 31st March 2020 - 1,823,765 Units)	-	800.00
ICICI Prudential Ultra Short Term Fund Growth Dire 3,595,824 Units (as at 31st March 2020 - Nil Units)	820.30	-
Total	**12,375.13**	**7,743.63**

Aggregate amount of quoted investments	12,375.13	7,743.63
Market Value of quoted investments	13,641.04	8,622.75
Aggregate amount in diminution in value of investments	-	-

Note : 17 : Inventories

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Raw materials	2,274.15	1,175.20
Packing materials	1,515.03	737.73
Work-in-progress	168.56	169.28
Finished goods (includes in transit: Rs 805.52 Lakhs, 31 March 2020: Nil)	2,849.48	1,753.41
Stock in trade	266.79	27.80
Stores and consumables	106.33	67.66
(All above stocks are valued at Lower of Cost and Net realisable Value)		
Total	**7,180.34**	**3,931.08**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 18 : Trade Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	1,428.22	1,199.63
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	62.94	35.49
Others	-	-
Less : Provision for Doubtful debts	(62.94)	(35.49)
Total	**1,428.22**	**1,199.63**

Note : 19 : Cash and Bank Balances

Particulars	As at 31st March 2021	As at 31st March 2020
Cash and Cash Equivalents		
Balance in Current Accounts	131.37	51.39
Cash on hand	1.06	4.20
Other Bank Balances		
Deposits with maturity of more than three months but less than 12 months	99.22	16.44
Total	**231.65**	**72.03**

Note : 20 : Short-term loans and advances

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered Good		
Inter Corporate Deposits (ICD)	136.87	240.00
Balance with Government Authorities	942.37	693.32
Export and modvat benefit receivable	408.88	349.19
Prepaid Expenses	133.10	94.35
Advance to Employees	55.35	32.41
Advance to Suppliers	195.62	243.89
Other Receivables	41.71	7.49
Total	**1,913.90**	**1,660.65**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 21 : Revenue from Operation

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of Products		
Finished goods	65,116.22	42,454.48
Traded goods	4,826.86	1,667.15
	69,943.08	**44,121.63**
Other Operating Revenue		
Scrap Sales	80.38	47.01
Export Incentives	331.24	351.97
Total	**70,354.70**	**44,520.61**

Note : 22 : Other Income

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest Income	31.48	61.52
Profit on Sale of Investments (Net)	290.29	303.68
Profit on Sale of Assets	5.42	-
Net gain on foreign currency transaction	-	5.66
Miscellaneous Income	39.96	7.80
Total	**367.15**	**378.66**

Note : 23 : Cost of Material consumed

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Cost of Raw Material and Packing Material Consumed (Refer Note 31)		
Cost of Raw Material Consumed	18,410.53	13,734.00
Cost of Packing Material Consumed	9,124.16	6,086.01
Total	**27,534.69**	**19,820.01**

Note : 24 : Changes in inventories of finished goods,work in progress and stock-in-trade

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Work in Progress		
Opening stock of Work in progress	169.28	51.75
Closing stock of Work in progress	168.56	169.28
	0.72	**(117.53)**
Finished Goods and Stock-in-trade		
Opening stock of Finished goods and Stock-in-trade	1,781.21	1,332.56
Closing stock of Finished goods and Stock-in-trade	3,116.27	1,781.21
	(1,335.06)	**(448.65)**
Total	**(1,334.34)**	**(566.18)**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2021
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 25 : Employee Benefits Expenses

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, Wages and bonus	6,357.14	4,806.68
Gratuity (Refer Note 39)	80.51	71.49
Contribution to provident & Other funds (Refer Note 39)	247.87	218.95
Staff welfare expenses	153.40	76.76
Employee share-based payment expense (Refer Note 41)	6.24	5.62
Total	**6,845.16**	**5,179.50**

Note : 26 : Finance Cost

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest on Term Loans	40.95	42.26
Interest - Others	0.81	0.34
Other borrowing costs	20.70	5.70
Total	**62.46**	**48.30**

Note : 27 : Other Expenses

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Power & Fuel	1,010.65	797.19
Labour Charges	1,108.92	745.83
Consumable Stores	268.95	119.13
Legal and Professional Fees	2,431.04	1,577.17
Rent (Refer Note 36)	604.46	493.63
Rates & Taxes	11.07	535.37
Insurance	207.07	120.17
Repairs and Maintenance	329.40	252.75
Auditor's Remuneration [Refer Note 27(a)]	19.35	24.03
Loss on Disposal of Assets (Net)	-	0.29
Advertisement Expenses	6,716.70	5,163.67
Sales Promotion Expenses	4,079.02	3,675.28
Freight Outward	3,668.45	1,919.51
Printing and Stationery	22.06	21.56
Travel and Conveyance	613.18	776.73
Sales Commission	519.43	264.31
Net loss on foreign currency transaction	24.08	-
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 42)	13.25	-
Provision for Doubtful debts	56.55	7.19
Bad Debts for the year	29.10	-
Less: Adjusted against Provision for Doubtful Debts	(29.10)	-
Miscellaneous expenses	1,425.92	1,123.60
Total	**23,129.55**	**17,617.41**

Note 27(a) - Auditor's Remuneration

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Statutory Audit Fees	18.00	15.00
Tax Audit Fees	1.25	1.00
Other Services	-	8.00
Reimbursement of expenses	0.10	0.03
Total	**19.35**	**24.03**

(All amounts in Rs. Lakhs, unless stated otherwise)

		Year ended 31st March, 2021	Year ended 31st March, 2020
28	**Earnings in Foreign Currency**		
	Particulars		
	FoB Value of Exports	9,185.14	5,831.47
29	**C.I.F. Value of Imports**		
	Particulars		
	Raw Materials and Packing Materials	2,077.40	1,334.44
	Capital goods	247.55	21.50
30	**Expenditure in Foreign Currency**		
	Particulars		
	Rent	84.74	77.18
	Travelling Expenses	2.08	39.12
	Advertisement Expenses	177.19	86.65
	Machinery Repair	33.53	19.05
	Trademark Expenses	1.39	8.32
31	**Details of Consumption and Purchases**		
	a) Details of Raw Material and Packing Material Consumed		
	Particulars		
	Sugar and Spices	5,794.54	3,976.88
	Oil and Flour	3,998.76	3,007.74
	Vegetables and Fruits	2,757.79	2,667.15
	Others	5,859.44	4,082.23
	Packing Material	9,124.16	6,086.01
	b) Value of imported and indigenous materials consumed		
	Raw Materials (including packing material)		
	Imported: *	2,077.40	1,334.44
	Indigenous:	25,457.29	18,485.57
	* denotes total imports during the year		
	c) Purchase of Traded Goods	**3,109.62**	**1,200.42**
	Instant Noodles	2,784.89	910.66
	Ready to Eat	324.73	289.76

32 Disclosure as required by the Micro, Small & Medium Enterprises Development Act, 2006 are as under

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	175.80	150.95
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.14	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	64.97	10.64
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	4.07
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	1.14	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

33 Contingent Liabilities

(To the extent not provided for)

a) Claims against the Company not acknowledged as debt:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Sales Tax matters#	3,731.82	3,863.97
Income Tax matters*	28.20	28.20
Other matters	3.28	3.61

#The Company has received various demands against Sales tax matters for the financial year 2009-10 to 2013-14 in respect of non submission of statutory forms, classification of products and predetermined interstate sales amounting to Rs. 3,731.82 Lakhs. Future cash flows in respect of the above, if any, is determine only on the receipt of judgements/decisions pending with the relevant authorities.

* The Company has received a favorable order of gross demand of the A.Y. 2008-09, amounting to Rs. 28.20 Lakhs from the ITAT as on 2013. However, the department has filed an appeal in the Bombay High Court against the order.

b) Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty on the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

34 Earnings Per Share

Particulars	As at 31st March, 2021	As at 31st March, 2020
Basic Earnings Per Share		
Profit After Tax	7,946.47	328.22
Nominal Value of Shares Outstanding	10.00	10.00
Weighted average number of shares outstanding	34,64,750	34,83,000
Basic Earnings Per Share	229.35	9.42
Diluted Earnings Per Share		
Profit After tax	7,946.47	328.22
Nominal Value of Shares Outstanding	10.00	10.00
Weighted average number of shares outstanding	34,64,750	34,83,000
Add: Weighted average number of potential equity shares on account of conversion of 0.1% Non-Cumulative Preference Shares Capital	-	2,000
Add: Weighted average number of potential equity shares on account of on account of employee stock options	32,000	411
Weighted average number of shares outstanding for diluted Earning Per Shares	34,96,750	34,85,411
Diluted Earnings Per Share	227.25	9.42

35 Segment Reporting

The Company has considered the business segment as the primary reporting segment on the basis that risk and returns of the Company is primarily determined by the nature of products and services. Consequently, the Company has considered Geographical Segment as the secondary reporting segment based on sales within India and outside India.

The Company has identified "Processed Foods" as its only primary reportable segment, which primarily includes products such as Noodles, Soups, Ketchup, Chinese Sauces, Masalas, Pastes and Oats.

The disclosures in accordance with the requirements of Accounting Standard (AS) – 17, Segment Reporting, relating to secondary segment are as follows:

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Within India	Outside	Within India	Outside
Revenue from Operations	61,169.56	9,185.14	38,689.14	5,831.47
Carrying amount of segment assets *	39,188.15	-	24,594.20	-
Capital Expenditure	6,301.96	-	2,560.24	-

* Excluding Advance Income Tax and Balance with Government authorities

36 Leases

The Company's significant leasing arrangements are primarily in respect of operating leases for Office Premises, Factory and Warehouse Rent, etc. The aggregate lease rentals charged to the statement of Profit & Loss account are Rs. 604.46 lakhs (Previous Year Rs.493.63 lakhs)

37 Unhedged foreign currency exposure

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
Payables				
USD	1,69,346	123.88	-	-
GPB	20,817	20.99	-	-
Receivables				
USD	22,76,495	1,665.26	10,53,296	793.34
Loans Payable				
USD	56,63,643	4,142.96	16,06,986	1,210.38

Loans payable contains USD 12.59 lakhs towards PCFC (31st March, 2020: USD 13.32 lakhs) and USD 44.05 lakhs towards Foreign Currency Term Loans (31st March, 2020: USD 2.75 lakhs), which are settled directly out of proceeds received from export debtors in foreign currency through EEFC Account.

(All amounts in Rs. Lakhs, unless stated otherwise)

38 Related Party Disclosures

Names of related parties and nature of relationship

Entities having a signifcant influence	Artal Asia Pte Ltd.* General Atlantic Singapore CF Pte Ltd Wildflower Private Trust*
Key Management Personnel	Navin Tewari, Managing Director (wef 1st January, 2021) Ajay Kumar Gupta, Director (wef 1st January 2021 ; he has been Managing Director upto 31st December 2020) Kabir Sahani, Director (upto 31st December,2020)
Directors	Francis Cukierman* Shantanu Rastogi*

* There are no transactions with the Company

Disclosure of transactions between the Company and related parties during the year and outstanding balance as at the year end:

	Year ended 31st March, 2021	Year ended 31st March, 2020
A) Transaction during the year with the Key Management Personnel		
Directors' Remuneration	965.56	317.54
B) Transaction during the year with the Entities having a signifcant influence		
Preference Share Capital issued during the year		
General Atlantic Singapore CF Pte Ltd	-	1,806.63
Preference share capital redeemed and equity shares issued (Including Securities Premium)		
General Atlantic Singapore CF Pte Ltd	1,806.63	-

The following table shows the break up of Directors' Remuneration.

Directors' Remuneration	Year ended 31st March, 2021	Year ended 31st March, 2020
Ajay Gupta	779.80	286.96
Other	185.76	30.58

39 Disclosure Pursuant to Accounting Standard - 15 Employee Benefits
Defined Contribution Plan

	Year ended 31st March, 2021	Year ended 31st March, 2020
Contribution to Provident Funds	245.81	214.97
Contribution to ESIC	2.06	3.99

Defined Benefit Plans: Gratuity (Funded)

Particulars	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
Change in Defined Benefit Obligation (DBO) during the year		
(a) Present Value of Obligation as at beginning of the year	303.44	208.69
(b) Current Service cost	63.91	42.08
(c) Past Service Cost	-	-
(d) Interest Cost	20.76	16.26
(e) Actuarial (Gain)/Loss	4.22	37.67
(f) Benefits paid	-	(1.26)
(g) Present Value of Obligation as at the close of the year	**392.33**	**303.44**
Fair Value of Plan Assets		
(a) Balance at the beginning of the year	298.12	219.54
(b) Expected return on plan assets	20.39	17.10
(c)Actuarial (Gains)/ Losses	(5.15)	(4.30)
(d) Contribution by the Company	85.71	67.04
(e) Benefits paid	-	(1.26)
(f) Settlements	-	-
Balance at the end of the year	**399.07**	**298.12**
Net Liability recognised in Balance Sheet		
(a) Present Value of Obligation	392.33	303.44
(b) Fair Value of Plan Assets	392.33	298.12
(c) Liability /(Assets) recognised in the Balance Sheet ^	**-**	**5.32**
(i) Current	**-**	**5.32**
(ii) Non Current	-	-
Expense recognised in Statement of Profit and Loss		
(a) Current Service Cost	63.91	42.08
(b) Interest Cost	20.76	16.26
(c)Expected return of Plan Assets	(20.39)	(17.10)
(d) Past Service Cost - vested benefit recognised during the period	-	-
(e)Actuarial (Gain)/Loss	9.37	41.97
(f) Total Expense recognised in the Statement of Profit and Loss ^	**73.65**	**83.21**

^ Excess of Fair value of Plan Asset over Present Value of Obligation amounting to Rs. 6.75 Lakhs had been expensed of to the Statement of Profit and Loss in the Previous year

Major Category of Plan Assets as a % of total Plan Assets		
Insurance Fund	100%	100%
Expected Contribution to the Funds in the next year	64.53	69.22

Experience Adjustment

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
(a) Present Value of Obligation as at the end of the year	392.33	303.44	208.69	208.69	168.76
(b) Fair Value of Plan Assets as at the end of the year	392.33	298.12	219.54	219.54	128.65
(c) (Surplus) / Deficit	-	5.32	(10.85)	(10.85)	40.11
Experience Adjustment on :					
(d) (Gain)/Loss on Plan Liability	(39.31)	13.88	(0.63)	(17.40)	11.72
(e) (Loss)/Gain on Plan Asset	(5.15)	(4.30)	(3.63)	(2.08)	5.04

Provision for Compensated Absences		
(a) Long term	229.06	144.00
(b) Short term	25.69	12.53
Actuarial Assumptions		
(a) Discount Rate (per annum)	6.80% p.a.	6.84% p.a.
(b) Expected Rate of Return on Assets (per annum)	6.80% p.a.	6.84% p.a.
(c) Salary Escalation Rate (per annum)	6.00% p.a.	6.00% p.a.
(d) Attrition Rate	4.00% p.a.	2.00% p.a.
(e) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

40 Capital commitements
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
Estimated value of contracts in capital account remaining to be executed [Net of Advance of Rs. 836.64 Lakhs (31st March, 2020: 2,322.96)]	3,525.66	2,993.68

(All amounts in Rs. Lakhs, unless stated otherwise)

41 Share Based Payments

Capital Foods Employee Stock Option Plan 2019 (ESOP 2019): The shareholders by its resolution dated October, 9, 2019 approved ESOP 2019 plans for granting Employee Stock Options to eligible employees. Each Option entitles holder to one equity share (of face value Rs. 10 each) of the company. In terms of resolutions Board was authorised to formulate the schemes and decide the criteria for grant of options. Board by its resolution dated 18 November 2019 and other relevant resolutions, formulated the various schemes, and identified the eligible employees for grant.

Capital Foods Employee Stock Option Plan 2020 (ESOP 2020): The shareholders by its resolution dated December, 28 2020 approved ESOP 2020 plans for granting Employee Stock Options to eligible employees. Each Option entitles holder to one equity share (of face value Rs. 10 each) of the company. In terms of resolutions Board was authorised to formulate the schemes and decide the criteria for grant of options. Board by its resolution dated 21 January 2021, formulated the various schemes, and identified the eligible employees for grant.

Particulars	ESOP 2019		ESOP 2020	
	No of Share	Date of Grant	No of Share	Date of Grant
Date of Grant	111078	18-Nov-19	54646	29-Jan-21
	4984	03-Dec-19		
	9092	20-Jan-20	29550	22-Jan-21
	22612	05-Oct-20		
	900	07-Oct-20	1000	25-Mar-21
	3001	04-Nov-20		
	3500	22-Jan-21		
Number of Options Granted	1,55,167		85,196	
Exercise Period	A period of 7 years from the date of listing of Shares on the stock exchange for Continuing Employee or Deceased Employee and a period of 3 years from the date of listing of Shares on the stock exchange for Ex-Employees, unless the Board decides otherwise.			
Exercise Price	4,756.88		7,386.00	

Particulars	As at March 31, 2021		As at March 31, 2020	
	Average exercise price per share option (Rs)	Number of options	Average exercise price per share option (Rs)	Number of options
Opening Balance	-	**1,25,154**	-	-
Granted during the year (ESOP 2019)	7,371.87	30,013	4,129.80	1,25,154
Granted during the year (ESOP 2020)	7,386.00	85,196	-	-
Excercised during the year	-	-	-	-
Forfeited during the year	4,444.11	6,683	-	-
Closing Balance (ESOP 2019)	-	**1,48,484**	-	**1,25,154**
Closing Balance (ESOP 2020)	-	**85,196**	-	**-**
Vested and excercisable	4,077.08	37,723	-	-

No options expired during the periods covered in the above tables.

The Company has adopted the intrinsic value method as permitted by the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer.

Effect of Share-based payment plan on the Balance Sheet and Statement of Profit and Loss:

Particulars	As at March 31, 2021	As at March 31, 2020
Expense arising from employee share-based payment plan	6.24	5.62

(All amounts in Rs. Lakhs, unless stated otherwise)

42 Corporate Social Responsibility Expenditure

Particulars	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
• Gross amount required to be spent by the company during the year	6.96	6.29
• Amount spent	6.96	6.29

Particulars	**Year ended 31st March, 2021**		**Year ended 31st March, 2020**	
	Paid	**Yet to be paid**	**Paid**	**Yet to be paid**
(i). Construction/acquisition of any asset	-	-	-	-
(ii). On purposes other than (i) above Towards "Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)"	6.96	-	-	6.29

In the current year company has paid CSR for the FY 2019-20 & FY 2020-21

43 Note on COVID

The outbreak of COVID -19 has severely impacted businesses around the world. In view of the various directives of Central Government /Concerned State Governments relating to lockdown, the Company, on March 24, 2020, decided to temporarily suspend manufacturing operations at its facilities, after following requisite safety protocols. The Company has since re-commenced its operations from April 14, 2020 in a phased manner, after obtaining requisite permissions, as applicable, from concerned Government authorities. Currently, all the plants manufacturing products are running at optimum capacities.

The Covid-19 situation continues to evolve particularly with respect to the second wave beginning in the country from April 2021. Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets, for the next one year from the date of approval of the standalone financial statements, including Property, Plant and Equipment, Trade receivables, Inventory and Investments and has concluded that there are no significant impact on its financial statements as at March 31 2021. Management believes that, in the preparation of the financial statement, it has taken into account all known events arising from COVID-19 pandemic. However, the Company will continue to monitor any material changes to future economic conditions.

44 Previous year figures have been reclassified / regrouped, wherever necessary, to conform to this year's classification.

Signature to Notes 1 to 44

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: July 19, 2021

For and on behalf of Board of Directors

Ajay Kumar Gupta
Chairman & Whole Time Director
DIN : 00532308
Place: Mumbai
Date: July 19, 2021

Navin Tewari
Managing Director & CEO
DIN : 0008971546
Place: Ghaziabad
Date: July 19, 2021

Rakesh Kothari
Chief Financial Officer
Membership No: 048007
Place: Mumbai
Date: July 19, 2021

Vinit Shukla
Company Secretary
Membership No: F11186
Place: Mumbai
Date: July 19, 2021

Independent auditor's report

To the Members of Capital Foods Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Capital Foods Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for opinion

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

Other Information

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

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

6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and 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.

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai – 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi – 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Responsibilities of management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

11. 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.

Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements;

(ii) The Company has long-term contracts as at March 31, 2020 for which there were no foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

(iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

14. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company. Also refer paragraph 11 of Annexure B.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N-500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 20118785AAAACL1790

Place: Mumbai
Date: July 22, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of Capital Foods Private Limited on the financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Capital Foods Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. 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 system with reference to financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of Capital Foods Private Limited on the financial statements for the year ended March 31, 2020

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N-500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 20118785AAAACL1790

Place: Mumbai
Date: July 22, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Capital Foods Private Limited on the financial statements as of and for the year ended March 31, 2020

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 12 on Property, Plant and Equipment to the financial statements, are held in the name of the Company.

ii The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of provident fund and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including professional tax, goods and service tax, employees' state insurance and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 32 (b) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, service-tax, duty of customs, duty of excise and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales-tax and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs) *#	Period to which the amount relates	Forum where the dispute is pending
Gujarat Value Added Tax, 2003	Sales Tax	1,925.19	2010-11	Deputy Commissioner – Commercial Tax
Gujarat Value Added Tax, 2003	Sales Tax	325.47	2008-09 and 2009-10	Joint Commissioner

* Net of amounts paid under protest.
# Including interest and penalty

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. [Also refer paragraph 14 of our main audit report]

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has not entered into any transactions with related parties covered under the Section 188 of the Act. The details of related party transactions disclosed in the financial statements are as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Capital Foods Private Limited on the financial statements as of and for the year ended March 31, 2020

xiv. The Company has made a private placement of cumulative, 0.1% convertible preference shares during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised as described below:

Nature of securities	Purpose for which funds raised	Total Amount Raised (Rs. in Lakhs)	Utilised during the year (Rs. in Lakhs)	Un-utilised balance as at Balance sheet date (Rs. in Lakhs)	Remarks
Preference share	Expansion of Business	1,806.63	1,042.18	764.45	As per Management explanation, unutilised amount will be utilised subsequent to the year end.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N-500016

Devang Mehta
Partner
Membership Number: 118785
UDIN: 20118785AAAACL1790

Place: Mumbai
Date: July 22, 2020

Capital Foods Private Limited
Balance Sheet as at 31st March 2020
(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note	As at 31st March 2020	As at 31st March 2019
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' Funds**			
	Share Capital	3	2,151.62	349.34
	Reserves and Surplus	4	12,189.26	13,016.77
2	**Non-current Liabilities**			
	Long term borrowings	5	83.41	203.36
	Long term provisions	6	144.00	86.47
	Deferred tax Liabilities (Net)	7	284.87	70.96
3	**Current Liabilities**			
	Short term borrowings	8	997.94	619.86
	Trade payables	9		
	- Total outstanding dues of micro enterprises and small enterprises		150.95	151.29
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		7,581.15	3,809.65
	Other current liabilities	10	2,085.44	1,081.43
	Short term provisions	11	31.57	47.54
	TOTAL		**25,700.21**	**19,436.67**
II.	**ASSETS**			
1	**Non-current Assets**			
	Property, Plant and Equipment	12		
	- Tangible assets		6,409.41	6,188.11
	- Intangible assets		152.69	182.11
	- Capital work-in-progress		2,231.27	246.24
	Non current investments	13	0.50	0.50
	Long term loans and advances	14	2,299.32	2,521.58
2	**Current Assets**			
	Current Investments	15	7,743.63	5,611.61
	Inventories	16	3,931.08	2,369.58
	Trade receivables	17	1,199.63	1,070.87
	Cash and Bank Balances	18	72.03	128.47
	Short term loans and advances	19	1,660.65	1,117.60
	TOTAL		**25,700.21**	**19,436.67**

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: July 22, 2020

For and on behalf of Board of Directors

Ajay Gupta
Managing Director
DIN : 00532308
Place: Goa
Date: July 22, 2020

Kabir Sahni
Director
DIN : 08609758
Place: Dehradun
Date: July 22, 2020

Vinit Shukla
Company Secretary
Membership No: A-43288
Place: Mumbai
Date: July 22, 2020

Capital Foods Private Limited
Statement of Profit and Loss for the year ended 31st March 2020
(All amounts in Rs. lakhs, unless stated otherwise)

	Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
I.	Revenue from Operations	20	44,520.61	37,278.27
II.	Other Income	21	378.66	449.27
III.	**Total Revenue (I + II)**		**44,899.27**	**37,727.54**
IV.	**Expenses:**			
	Cost of materials consumed	22	19,820.01	16,790.05
	Purchase of Stock in Trade		1,200.42	1,760.72
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(566.18)	(737.83)
	Employee benefits expense	24	5,179.50	3,678.38
	Finance costs	25	48.30	54.39
	Depreciation and amortization expense	12	712.93	697.05
	Other expenses	26	17,617.41	14,976.96
	Total expenses		**44,012.39**	**37,219.71**
V.	**Profit before tax (III - IV)**		886.88	507.83
VI.	**Tax Expenses:-**			
	Current tax		-	161.70
	Less: Minimum Alternate Tax Written off	43	344.75	(161.70)
	Deferred tax	7	213.91	486.59
VII.	**Profit after tax for the year (V-VI)**		**328.22**	**21.24**
	Basic Earning Per Share in Rs.		9.42	0.61
	Diluted Earning Per Share in Rs.		9.30	0.61
	[Nominal value per share: Rs. 10 (31st March, 2019: Rs. 10)]			
	[Refer Note 33]			

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

For and on behalf of Board of Directors

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: July 22, 2020

Ajay Gupta
Managing Director
DIN : 00532308
Place: Goa
Date: July 22, 2020

Kabir Sahni
Director
DIN : 08609758
Place: Dehradun
Date: July 22, 2020

Vinit Shukla
Company Secretary
Membership No: A-43288
Place: Mumbai
Date: July 22, 2020

Capital Foods Private Limited
Cash Flow Statement for the year ended 31st March 2020
(All amounts in Rs lakhs, unless stated otherwise)

	Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**886.88**	**507.83**
	Adjustment for :		
	Depreciation	712.93	697.05
	Employee share-based payment expense	5.62	-
	Loss on sale of assets (Net)	0.29	153.63
	Finance Cost	48.30	54.39
	Profit on sale of Investments (Net)	(303.68)	(239.10)
	Interest Received	(61.52)	(66.54)
	Transfer to Debenture Redemption Reserve	-	116.64
	Unrealised Exchange Loss / (Gain)	-	0.09
	Deferred Income	(4.09)	(4.09)
	Operating Profit before Working Capital changes	**1,284.73**	**1,219.91**
	Changes in Working Capital :		
	(Increase)/Decrease in Inventories	(1,561.50)	(511.77)
	(Increase)/Decrease in Trade Receivables	(128.75)	200.20
	(Increase)/Decrease in Loans and Advances	(545.22)	130.43
	Increase/(Decrease) in Trade Payables, Current Liabilities and Provisions	4,733.72	115.46
		2,498.25	**(65.68)**
	Direct taxes paid (Net)	(25.50)	(122.08)
	Net Cash Flow generated from / (used in) Operating Activities	**3,757.48**	**1,032.15**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets including Capital Advance	(2,966.42)	(704.20)
	Proceeds from sale of fixed assets	0.00	5.46
	Purchase of Investments	(6,775.00)	(4,475.00)
	Inter Corporate Deposits (Placed) /Matured	60.00	223.45
	Sale of Investments	4,946.65	3,734.80
	Interest Received	61.52	66.54
	Net Cash used in Investing Activities	**(4,673.25)**	**(1,148.95)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of shares / Security premium	640.92	1,001.31
	Redumption of debentures	-	(892.80)
	Proceeds / (Repayment) of Long Term Borrowings	(117.77)	(100.09)
	Proceeds / (Repayment) of Short Term Borrowings	378.09	122.78
	Interest Paid	(48.30)	(54.39)
	Net Cash generated from Financing Activities	**852.94**	**76.81**
	Net Cash Increase in Cash and Cash Equivalent	**(62.83)**	**(39.99)**
	Cash and Cash Equivalents at the beginning of the period	**118.42**	**158.41**
	Cash and Cash Equivalents at the end of the period	**55.59**	**118.42**

Capital Foods Private Limited
Cash Flow Statement for the year ended 31st March 2020
(All amounts in Rs lakhs, unless stated otherwise)

Notes

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 "Cash Flow Statements" as notified under section 133 of the Companies Act, 2013.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP	**For and on behalf of Board of Directors**		
Registration No.012754N / N500016			
Devang Mehta	**Ajay Gupta**	**Kabir Sahni**	**Vinit Shukla**
Partner	Managing Director	Director	Company Secretary
Membership No: 118785	DIN : 00532308	DIN : 08609758	Membership No: A-43288
Place: Mumbai	Place: Goa	Place: Dehradun	Place: Mumbai
Date: July 22, 2020	Date: July 22, 2020	Date: July 22, 2020	Date: July 22, 2020

Note : 1 : Corporate Information

The Company was incorporated on September 9, 2003 as Capital Foods Private Limited (CFPL) with its registered office in Mumbai (Oshiwara, Jogeshwari). Capital Foods Private Limited belongs to the FMCG sector and is engaged in processed food manufacturing business.

Head Office of the company is located in Mumbai and there is a branch office in Delhi. The manufacturing plants are located at Kandla, Bhilad, Nahuli and Nashik.

Note : 2 : Summary of significant accounting policies

a) **Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

b) **Tangible Assets**

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met. Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

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".

Depreciation is provided on straight line method, over the estimated useful life of each asset. Assets are depreciated as per useful life specified in Part C of the schedule II of the Act. The useful lives of the assets have been determined based on technical evaluation done by the management's expert and the following asset has a different useful life than prescribed by schedule II of the Act taking into account the nature of assets, their estimated period of use and the operating conditions.

Asset Class	**Useful Life**
Office building	30 years

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

c) **Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. Computer software is amortised over 3 years using straight line method. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

d) **Borrowing costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

e) **Impairment of Assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired.

f) **Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

g) **Inventories**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

h) **Foreign currency translation**

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign currency denominated monetary assets and liabilities at the year end are translated at the year-end exchange rates, and the resultant exchange difference is recognised in the Statement of Profit and Loss.

i) **Revenue recognition**

Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods and are recognised net of trade discounts, rebates, sales taxes, excise duties and Goods and Service Tax

Transport Assistance Subsidy from Agricultural and Processed Food Products Exports Development Authority (APEDA) receivable has been recognized as revenue on net realizable value based on eligibility and there is no uncertainty in receiving the same.

Income from duty drawback and premium of sale of import licences is recognised on an accrual basis.

j) **Other Income**

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

k) **Employee Benefits**

Defined Contribution Plan

a. Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined Benefit Plan

Gratuity: The Company provides for retirement/ post-retirement benefits in the form of Gratuity (funded) which are in the nature of Defined Benefit Plans. Such benefits are provided for on the basis of an independent actuarial valuation done at the year-end using Projected Unit Credit Method. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised in the Statement of Profit and Loss in the year in which they arise. The Company's liability is actuarially determined (using Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Other Employee Benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

l) **Current Tax, Deferred Tax and MAT Credit Entitlement**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

m) **Provisions and Contingent Liabilities**

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

n) **Accounting for Leases**

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

o) **Government Grant**

Government grants received against specific fixed assets are reduced from the cost of the respective fixed asset. Government grants received towards depreciable assets but not against specific fixed assets are treated as deferred income. Grants related to revenue are recognised in the Statement of Profit and Loss by deducting the same against related expenses for which it is granted.

The Company has treated the subsidy received from the Ministry of Food Processing Industry as deferred income, which is recognised in the Statement of Profit and Loss by way of allocation to income over the period in proportion to the rate of depreciation applicable to Plant and Machinery.

p) **Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses is identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under “Unallocated corporate expenses/income”.

q) **Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

r) **Earning 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. Earnings considered in ascertaining the Company’s earnings per share is the net profit for the period and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity 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 is adjusted for the effects of all dilutive potential equity shares.

s) **Use of Estimates**

The preparation of the Financial Statements in conformity with the generally accepted accounting principals (GAAP) requires the management to make estimates and assumptions that effect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements. Management believes that the estimate made in the preparation of the financial statements are prudent and reasonable. Actual results may differ from those estimates. Any revision to the accounting estimates are recognised prospectively in the current and future period. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2020
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 3 : Share Capital

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
Authorised		
2,07,50,000 (31st March 2019: 4,07,50,000) Equity Shares of Rs. 10 each	2,075.00	4,075.00
2,00,00,000(31st March 2019: Nil) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	2,000.00	-
Issued, Subscribed and Paid up		
34,49,909 (31st March 2019: 34,93,387) Equity Shares of Rs. 10 each	344.99	349.34
1,80,66,326(31st March 2019: Nil) 0.1% Non-Cumulative Preference Shares of Rs. 10 each	1,806.63	-
Total	**2,151.62**	**349.34**

a. Reconciliation of the number of shares:
Equity Shares

Particulars	**As at 31st March 2020**		**As at 31st March 2019**	
	Number of Shares	**Rs. In Lakhs**	**Number of Shares**	**Rs. In Lakhs**
Balance as at the beginning of the year	34,93,387	349.34	34,62,796	346.28
Less: Shares bought back during the year	(43,478)	(4.35)	-	-
Add: Issued During the year	-	-	30,591	3.06
Balance as at the end of the year	34,49,909	344.99	34,93,387	349.34

0.1% Non-Cumulative Preference Shares

Particulars	**As at 31st March 2020**		**As at 31st March 2019**	
	Number of Shares	**Rs. In Lakhs**	**Number of Shares**	**Rs. In Lakhs**
Balance as at the beginning of the year	-	-	47,136	4.71
Shares Issued during the year	1,80,66,326	1,806.63	-	-
Shares Converted in to Equity during the year	-	-	(47,136)	(4.71)
Balance as at the end of the year	1,80,66,326	1,806.63	-	-

b. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

% of Shareholding	**As at 31st March 2020**		**As at 31st March 2019**	
	Number of Shares	**% Holding**	**Number of Shares**	**% Holding**
Equity Shares				
Mr. Ajay Gupta	89,100	2.58%	3,30,163	9.45%
Artal Asia Pte Ltd.	13,95,700	40.46%	13,95,700	39.95%
General Atlantic Singapore CF Pte Ltd	11,93,679	34.60%	9,33,616	26.73%
Wildflower Private Trust	7,71,430	22.36%	7,71,430	22.08%
0.1% Non-Cumulative Preference Shares				
General Atlantic Singapore CF Pte Ltd	1,80,66,326	100.00%	-	-

(All amounts in Rs. Lakhs, unless stated otherwise)

c. Terms/rights attached to equity shares.

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

d. Terms/rights attached to 0.1% Non-Cumulative preference shares.

In the current year, the company has issued 1,80,66,326 non-cumulative, 0.1% compulsorily convertible preference shares (CCPS) having face value of Rs. 10 each for an aggregate consideration of Rs. 18,06,63,260 to General Atlantic Singapore CF Pte Ltd (Purchaser). The conversion price shall initially be Rs.4,057.66 (four thousand fifty seven rupees sixty six paise). At a conversion price of Rs. 4,057.66, the number of Equity Shares to be allotted to the Purchaser upon conversion of all the CCPS shall be 44,524 Equity Shares.

e. Terms of Buy-Back of Shares

Pursuant to section 68 of the Companies Act, 2013, the Board of Directors approved at its meeting on 27th June, 2019 the proposal of buyback of equity shares. The buyback consisted of a purchase of 43,478 equity shares aggregating to 1.24% of the paid up equity share capital of the company at a price of Rs. 2,177 per equity share. The buyback was offered to the eligible equity shareholders of the company as on record date (i.e. 28th June, 2019). The company has funded the buyback from securities premium.

Note : 4 : Reserves and Surplus

Particulars	As at 31st March 2020	As at 31st March 2019
Securities Premium		
Balance as at the beginning of the year	12,454.32	11,600.16
Add : Securities premium credited on Share issue	-	1,002.96
Less : Premium Utilised for Buy-Back of Shares	(942.17)	-
Less: Premium on Redemption of Debentures [Refer Note 10(a)]	-	(148.80)
Balance as at the end of the year	**11,512.15**	**12,454.32**
Surplus in the statement of profit and loss		
Balance as at beginning of the year	562.45	355.21
Add: Net Profit for the current year	328.22	21.24
Less : Tax on distributed income due to Buy-Back of Shares	(219.18)	
Add: Transfer from Debenture Redemption Reserve [Refer Note 10(a)]	-	186.00
Balance as at end of the year	**671.49**	**562.45**
Debenture Redemption Reserve		
Balance as at beginning of the year	-	69.36
Add: Reserves created during the year	-	116.64
Less: Transfer to General Reserve on Debenture Redemption during the year [Refer Note 10(a)]	-	(186.00)
Balance as at end of the year	**-**	**-**
ESOP Reserve		
Balance as at beginning of the year	-	-
Add: Reserves created during the year (Refer Note 40)	5.62	-
Less: Deferred Employee Stock Compensation	-	-
Balance as at end of the year	**5.62**	**-**
Total	**12,189.26**	**13,016.77**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2020
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 5 : Long Term Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
Secured Loans:		
Term Loans from a bank		
Foreign Currency Loans	75.24	191.10
Deferred Government Grants	8.17	12.26
Total	**83.41**	**203.36**

Nature of security and terms of repayment for secured borrowing

Nature of Security	Terms of Repayment
Foreign Currency Term loan from a Bank - 1, amounting to Rs. 38.57 lakhs (March 31, 2019 Rs. 88.84 lakhs)*	Repayable in 60 monthly installments beginning from December 2015 till December 2020. The loan carry fixed interest rate of 5.15% p.a. (March 31, 2019 5.15% p.a.)
Foreign Currency Term loan from a Bank - 2, amounting to Rs. 168.71 lakhs (March 31, 2019 Rs. 236.21 lakhs)*	Repayable in 60 monthly installments beginning from January 2017, till December 2021 The loan carry fixed interest rate of 6.5% p.a. (March 31, 2019 6.5% p.a.)
The amount mentioned include installments falling due within a year aggregating to Rs 132.04 Lakhs (31st March, 2019: Rs 133.95 lakhs) have been grouped under Current maturities of long-term debts (Refer note 9)	

* The Foreign Currency Term loans are secured by primary security of hypothecation of entire current assets of the company consisting of inventory and book debts and collateral security of mortgage of Land at Nashik Plant and Nahuli Plant.

Note : 6 : Long Term Provisions

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for employee benefits		
Compensated Absences (Refer Note 38)	144.00	86.47
Total	**144.00**	**86.47**

Note : 7 : Deferred tax Liabilities (Net)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred tax liabilities:		
Timing Difference between book and tax depreciation	231.82	397.99
Others	376.45	494.03
Deferred tax assets:		
Unabsorbed tax losses and unabsorbed depreciation	240.33	790.50
Accrual for expenses allowable only on payment and disallowance u/s 40(a)(ia)	83.07	30.56
Total	**284.87**	**70.96**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2020
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 8 : Short Term Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
Secured		
Working Capital Loan from Bank		
Foreign currency loans - Short Term	997.94	619.86
Total	**997.94**	**619.86**

Nature of security and terms of repayment for secured borrowing (other than debentures)

Nature of Security	Terms of Repayment
Packing Credit limit from a Bank, amounting to Rs. 997.94 lakhs (March 31, 2019 Rs. 619.86 lakhs) is secured by stock in trade meant for Export.	Repayable within 270 days. The loan carries interest rate of Libor plus 1.5 % p.a. linked to lender's PLR as at 31st March, 2020 (i.e 2.59% p.a) (March 31, 2019 : Libor plus 1.5 % p.a.(i.e 4.09% p.a.).

Note : 9 : Trade Payable

Particulars	As at 31st March 2020	As at 31st March 2019
Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 31)	150.95	151.29
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,581.15	3,809.65
Total	**7,732.10**	**3,960.94**

Note : 10 : Other Current Liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Others		
Current maturities of long-term debt (Refer Note 5)	132.04	133.95
Statutory Dues	540.80	107.87
Security Deposits	54.25	51.20
Capital Creditors	174.89	68.57
Retention money payable	136.60	-
Employee Benefits Payable	687.66	411.13
Advance received from Customers	359.20	308.71
Total	**2,085.44**	**1,081.43**

Note 10(a): Details of Unsecured Loans: Debentures

The Company had issued 0% Optionally Convertible Debentures (OCDs) on 30th September, 2011 having a face value of Rs 100 each. The OCDs have a tenure of 20 years expiring on 30th September 2031. At the end of the term, the OCDs could be converted into equity shares at a fair market value determined by an independent valuer appointed jointly by the Company and Future Ventures India Limited.

In the previous year, Board of Directors in their meeting dated 17th April 2018 approved redemption of the above mentioned debentures at Rs. 120 each. Consequently, (i) Company has recognised in the Statement of Profit and Loss Rs. 116.64 lakhs being the differential amount to be transferred to Debenture Redemption Reserve (DRR), in accordance with Rule 18 of Companies (Share Capital And Debentures) Rules, 2014. Thus, outstanding balance on 17th April 2018 in DRR account was Rs. 186 lakhs which was fully utilised for redemption of the debentures. (ii) Further, the Company has utilised Security Premium Balance of Rs. 148.8 lakhs towards balance amount of premium on redemption of Debentures.

Note : 11 : Short Term Provisions

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for employee benefits		
Gratuity Provision (Refer Note 38)	5.32	-
Compensated Absences (Refer Note 38)	12.53	12.42
Provision for Taxation [Net of Advance Tax Rs. 147.98 Lakhs (March 31, 2019- Rs. 126.58 Lakhs)]	13.72	35.12
Total	**31.57**	**47.54**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2020
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 12 : Property, Plant and Equipment

Sr. No.	Asset Group	Gross Block				Accumulated Depreciation				Net Block
		Balance as at 1st April 2019	Additions	Disposals	Balance as at 31st March 2020	Balance as at 1st April 2019	Depreciation / Amortization charge for the year	On disposals	Balance as at 31st March 2020	Balance as at 31st March 2020
(i)	**Tangible Assets**									
	Buildings	1,559.36	117.62	-	1,676.98	398.44	82.61	-	481.05	1,195.93
	Land - Freehold	828.10	-	-	828.10	-	-	-	-	828.10
	Land - Leasehold	126.00	-	-	126.00	12.60	1.80	-	14.40	111.60
	Plant and Equipment	6,025.66	505.38	-	6,531.04	2,484.27	448.09	-	2,932.36	3,598.68
	Vehicles	222.79	0.00	-	222.79	79.71	26.54	-	106.25	116.54
	Office equipment	168.79	51.33	-	220.12	98.66	22.95	-	121.61	98.51
	Computers	149.00	35.00	2.18	181.82	111.41	31.09	1.89	140.61	41.21
	Furniture and Fixtures	206.10	116.49	-	322.59	98.76	17.97	-	116.73	205.86
	Electrical Installation	374.31	56.66	-	430.97	188.15	29.84	-	217.99	212.98
	Total	**9,660.11**	**882.48**	**2.18**	**10,540.41**	**3,472.00**	**660.89**	**1.89**	**4,131.00**	**6,409.41**
(ii)	**Intangible Assets**									
	Computer software	300.13	22.62	-	322.75	118.02	52.04	-	170.06	152.69
	Total	**300.13**	**22.62**	**-**	**322.75**	**118.02**	**52.04**	**-**	**170.06**	**152.69**
	Total (i) + (ii)	**9,960.24**	**905.10**	**2.18**	**10,863.16**	**3,590.02**	**712.93**	**1.89**	**4,301.06**	**6,562.10**
(iii)	**Capital Work In Progress**									2,231.27
	Grand Total (i)+(ii)+(iii)									**8,793.37**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2020
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 12 : Property, Plant and Equipment

Sr. No.	Asset Group	Gross Block				Accumulated Depreciation				Net Block
		Balance as at 1st April 2018	Additions	Disposals	Balance as at 31st March 2019	Balance as at 1st April 2018	Depreciation / Amortization charge for the year	On disposals	Balance as at 31st March 2019	Balance as at 31st March 2019
(i)	Tangible Assets									
	Buildings	1,559.75	-	0.39	1,559.36	318.85	79.65	0.06	398.44	1,160.92
	Land - Freehold	828.10	-	-	828.10	-	-	-	-	828.10
	Land - Leasehold	126.00	-	-	126.00	10.80	1.80	-	12.60	113.40
	Plant and Equipment	5,896.15	393.82	264.31	6,025.66	2,152.58	455.78	124.09	2,484.27	3,541.39
	Vehicles	225.36	-	2.57	222.79	55.61	26.54	2.44	79.71	143.08
	Office equipment	157.16	22.48	10.85	168.79	85.49	20.47	7.30	98.66	70.13
	Computers	111.04	52.15	14.19	149.00	92.10	32.18	12.87	111.41	37.59
	Furniture and Fixtures	229.20	7.02	30.12	206.10	99.89	16.07	17.20	98.76	107.34
	Electrical Installation	374.57	0.55	0.81	374.31	160.28	28.06	0.19	188.15	186.16
	Total	**9,507.33**	**476.02**	**323.24**	**9,660.11**	**2,975.60**	**660.55**	**164.15**	**3,472.00**	**6,188.11**
(ii)	Intangible Assets									
	Computer software	277.63	22.50	-	300.13	81.52	36.50	-	118.02	182.11
	Total	**277.63**	**22.50**	**-**	**300.13**	**81.52**	**36.50**	**-**	**118.02**	**182.11**
	Total (i) + (ii)	**9,784.97**	**498.52**	**323.24**	**9,960.24**	**3,057.13**	**697.06**	**164.15**	**3,590.01**	**6,370.22**
(iii)	**Capital Work In Progress**									246.24
	Grand Total (i)+(ii)+(iii)									**6,616.46**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2020
(All amounts in Rs. Lakhs, unless stated otherwise)
Note : 13 : Non-current Investments

(Valued at cost, unless stated otherwise)

Particulars	As at 31st March 2020	As at 31st March 2019
Non Trade Investment (Unquoted)		
National Savings Certificate	0.50	0.50
Total	**0.50**	**0.50**

Aggregate amount of unquoted investments	0.50	0.50
Aggregate amount of diminution in value of investments	-	-

Note : 14 : Long Term Loans and Advances

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good (unless otherwise stated)		
Capital Advance	321.91	139.31
Security Deposits	266.84	226.32
Advance Income Tax [Net off Provision of Rs.206.33 Lakhs (31 st March 2019: Rs. 206.33 Lakhs)]	63.50	59.40
MAT Credit Entitlement (Refer Note 43)	-	344.74
Deposits with Government Authorities	1,647.07	1,751.81
Total	**2,299.32**	**2,521.58**

Note : 15 : Current Investments

(At cost and fair value, whichever is less)

Particulars	As at 31st March 2020	As at 31st March 2019
Investment in Mutual Funds (Quoted)		
Aditya Birla Sun Life Cash Plus - Growth 1,047,019 Units Units (as at 31st March 2019 - 1,320,371 Units)	2,966.53	3,605.45
Aditya Birla Sun Life Savings Fund - Growth 450,321 Units (as at 31st March 2019 - 515,275 Units)	1,337.65	1,520.50
Aditya Birla Sun Life Cash Liquid Fund - Growth 340,327 Units (as at 31st March 2019 - 163,461 Units)	1,064.45	485.66
ICICI Prudential Savings Fund Growth Direct 406,368 Units (as at 31st March 2019 - Nil)	1,575.00	-
ICICI Prudential Short Term Fund Growth Direct 1,823,765 Units (as at 31st March 2019 - Nil)	800.00	-
Total	**7,743.63**	**5,611.61**

Aggregate amount of quoted investments	7,743.63	5,611.61
Market Value of quoted investments	8,622.75	6,359.10
Aggregate amount in diminution in value of investments	-	-

Note : 16 : Inventories

Particulars	As at 31st March 2020	As at 31st March 2019
Raw materials	1,175.20	492.19
Packing materials	737.73	434.01
Work-in-progress	169.28	51.75
Finished goods	1,753.41	1,266.57
Stock in trade	27.80	65.99
Stores and consumables	67.66	59.07
(All above stocks are valued at Lower of Cost and Net realisable Value)		
Total	**3,931.08**	**2,369.58**

Capital Foods Private Limited
Notes forming part of the Financial Statements as at and for the year ended 31st March, 2020
(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 17 : Trade Receivables

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	1,199.63	1,070.87
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	35.49	28.30
Others	-	-
Less : Provision for Doubtful debts	(35.49)	(28.30)
Total	**1,199.63**	**1,070.87**

Note : 18 : Cash and Bank Balances

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and Cash Equivalents		
Balance in Current Accounts	51.39	116.30
Cash on hand	4.20	2.12
Other Bank Balances		
Deposits with maturity of more than three months but less than 12 months	16.44	10.05
Total	**72.03**	**128.47**

Note : 19 : Short-term loans and advances

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, considered Good		
Inter Corporate Deposits (ICD)	240.00	300.00
Balance with Government Authorities	1,042.51	585.66
Prepaid Expenses	94.35	64.91
Advance to Employees	32.41	24.57
Advance to Suppliers	243.89	141.41
Other Receivables	7.49	1.05
Total	**1,660.65**	**1,117.60**

(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 20 : Revenue from Operation

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of Products		
Finished goods	42,454.48	34,621.07
Traded goods	1,667.15	2,319.20
	44,121.63	**36,940.27**
Other Operating Revenue		
Scrap Sales	47.01	58.67
Export Incentives	351.97	279.33
Total	**44,520.61**	**37,278.27**

Note : 21 : Other Income

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Income	61.52	66.54
Profit on Sale of Investments (Net)	303.68	239.10
Net gain on foreign currency transaction	5.66	-
Miscellaneous Income	7.80	143.63
Total	**378.66**	**449.27**

Note : 22 : Cost of Material consumed

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Cost of Raw Material and Packing Material Consumed (Refer Note 30)		
Cost of Raw Material Consumed	13,734.00	11,376.97
Cost of Packing Material Consumed	6,086.01	5,413.08
Total	**19,820.01**	**16,790.05**

Note : 23 : Changes in inventories of finished goods,work in progress and stock-in-trade

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Work in Progress		
Opening stock of Work in progress	51.75	48.19
Closing stock of Work in progress	169.28	51.75
	(117.53)	**(3.56)**
Finished Goods and Stock-in-trade		
Opening stock of Finished goods and Stock-in-trade	1,332.56	598.29
Closing stock of Finished goods and Stock-in-trade	1,781.21	1,332.56
	(448.65)	**(734.27)**
Total	**(566.18)**	**(737.83)**

(All amounts in Rs. Lakhs, unless stated otherwise)

Note : 24 : Employee Benefits Expenses

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Salaries, Wages and bonus	4,806.68	3,453.08
Gratuity (Refer Note 38)	71.49	25.00
Contribution to provident & Other funds (Refer Note 38)	218.95	139.31
Staff welfare expenses	76.76	60.98
Employee share-based payment expense (Refer Note 40)	5.62	-
Total	**5,179.50**	**3,678.38**

Note : 25 : Finance Cost

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Interest on Term Loans	42.26	46.04
Interest - Others	0.34	3.60
Other borrowing costs	5.70	4.75
Total	**48.30**	**54.39**

Note : 26 : Other Expenses

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Power & Fuel	797.19	714.52
Labour Charges	745.83	539.42
Consumable Stores	119.13	101.95
Legal and Professional Fees	1,577.17	2,106.71
Rent (Refer Note 35)	493.63	438.83
Rates & Taxes	535.37	31.80
Insurance	120.17	80.06
Repairs and Maintenance	252.75	288.18
Auditor's Remuneration [Refer Note 26(a)]	24.03	19.60
Loss on Disposal of Assets (Net)	0.29	153.63
Advertisement Expenses	5,163.67	3,820.12
Sales Promotion Expenses	3,675.28	3,058.06
Freight Outward	1,919.51	1,751.76
Printing and Stationery	21.56	18.69
Travel and Conveyance	776.73	682.05
Sales Commission	264.31	212.72
Net loss on foreign currency transaction	-	26.96
Miscellaneous expenses	1,123.60	786.96
Provision for Doubtful debts	7.19	28.30
Transfer to Debenture Redemption Reserve [Refer Note 10(a)]	-	116.64
Total	**17,617.41**	**14,976.96**

Note 26(a) - Auditor's Remuneration

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Statutory Audit Fees	15.00	13.00
Tax Audit Fees	1.00	1.00
Other Services	8.00	5.00
Reimbursement of expenses	0.03	0.60
Total	**24.03**	**19.60**

(All amounts in Rs. Lakhs, unless stated otherwise)

	Year ended 31st March, 2020	Year ended 31st March, 2019
27 Earnings in Foreign Exchange		
Particulars		
FoB Value of Exports	5,831.47	4,333.32
28 C.I.F. Value of Imports		
Particulars		
Raw Materials and Packing Materials	1,334.44	775.40
Capital goods	21.50	25.03
29 Expenditure in Foreign Currency		
Particulars		
Rent	77.18	70.05
Travelling Expenses	39.12	16.22
Advertisement Expenses	86.65	1.12
Machinery Repair	19.05	8.00
Trademark Expenses	8.32	4.43
30 Details of Consumption and Purchases		
a) Details of Raw Material and Packing Material Consumed		
Particulars		
Sugar and Spices	3,976.88	4,225.78
Oil and Flour	3,007.74	2,547.32
Vegetables and Fruits	2,667.15	1,441.83
Others	4,082.23	3,162.04
Packing Material	6,086.01	5,413.08
b) Value of imported and indigenous materials consumed		
Raw Materials (including packing material)		
Imported: *	1,334.44	775.40
Indigenous:	18,485.57	16,014.65
* denotes total imports during the year		
c) Purchase of Traded Goods	1,200.42	1,760.72

31 Disclosure as required by the Micro, Small & Medium Enterprises Development Act, 2006 are as under

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	150.95	148.23
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	3.06
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	10.64	488.65
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	4.07	3.06
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Further interest remaining due and payable for earlier years	-	0.41

32 Contingent Liabilities

(To the extent not provided for)

a) Claims against the Company not acknowledged as debt:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Sales Tax matters	3,863.97	6,134.17
Other matters	3.61	10.95

The Company has received various demands against Sales tax matters for the financial year 2008-09 to 2013-14 in respect of non submission of statutory forms, classification of products and predetermined interstate sales amounting to Rs. 3,863.97 Lakhs. Future cash flows in respect of the above, if any, is determine only on the receipt of judgements/decisions pending with the relevant authorities.

b) Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty on the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

33 Earnings Per Share

Particulars	As at 31st March, 2020	As at 31st March, 2019
Basic Earnings Per Share		
Profit After Tax	328.22	21.24
Nominal Value of Shares Outstanding	10.00	10.00
Weighted average number of shares outstanding	34.83	34.91
Basic Earnings Per Share	9.42	0.61
Diluted Earnings Per Share		
Profit After tax	328.22	21.24
Nominal Value of Shares Outstanding	10.00	10.00
Weighted average number of shares outstanding	34.83	34.91
Add: Weighted average number of potential equity shares on account of conversion of 0.1% Non-Cumulative Preference Shares Capital	0.02	-
Add: Weighted average number of potential equity shares on account of on account of employee stock options	0.44	-
Weighted average number of shares outstanding for diluted Earning Per Shares	35.29	34.91
Diluted Earnings Per Share	9.30	0.61

34 Segment Reporting

The Company has considered the business segment as the primary reporting segment on the basis that risk and returns of the Company is primarily determined by the nature of products and services. Consequently, the Company has considered Geographical Segment as the secondary reporting segment based on sales within India and outside India.

The Company has identified "Processed Foods" as its only primary reportable segment, which primarily includes products such as Noodles, Soups, Ketchup and Chinese Sauces and Masalas, Pastes and Oats.

The disclosures in accordance with the requirements of Accounting Standard (AS) – 17, Segment Reporting, relating to secondary segment are as follows:

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Within India	Outside	Within India	Outside
Revenue from Operations	38,689.14	5,831.47	32,944.95	4,333.32
Carrying amount of segment assets *	24,594.20	-	18,446.88	-
Capital Expenditure	2,560.24		704.20	

* Excluding Deferred Tax Assets , Income Tax, MAT Credit Entitlement and Balance with Government authority.

35 Leases

The Company's significant leasing arrangements are primarily in respect of operating leases for Office Premises, Factory and Warehouse Rent, etc. The aggregate lease rentals charged to the statement of Profit & Loss account are Rs. 493.63 lakhs (Previous Year Rs.438.83 lakhs)

36 Unhedged foreign currency exposure

Particulars	As at 31st March, 2020 Amount in Foreign Currency	As at 31st March, 2020 Amount in Rupees	As at 31st March, 2019 Amount in Foreign Currency	As at 31st March, 2019 Amount in Rupees
Payables				
USD	-	-	4,939	3.43
Receivables				
USD	10,53,296	793.34	8,88,062	616.67
	-			
Loans Payable				
USD	16,06,986	1,210.38	13,60,753	944.91

Loans payable contains USD 13.32 lakhs towards PCFC (31st March, 2019: USD 8.93 lakhs) and USD 2.75 lakhs towards Foreign Currency Term Loans (31st March, 2019: USD 4.68 lakhs), which are settled directly out of proceeds received from export debtors in foreign currency through EEFC Account.

(All amounts in Rs. Lakhs, unless stated otherwise)

37 Related Party Disclosures

Names of related parties and nature of relationship

Entities having a signifcant influence	Artal Asia Pte Ltd.* General Atlantic Singapore CF Pte Ltd Wildflower Private Trust*
Key Management Personnel	Ajay Gupta, Managing Director Om Prakash Varma, Director (Upto 25th April 2018) Kabir Sahani, Director (w.e.f. 3rd December 2019)
Directors	Francis Cukierman* Shantanu Rastogi*

* There are no transactions with the Company

Disclosure of transactions between the Company and related parties during the year and outstanding balance as at the year end:

	Year ended 31st March, 2020	Year ended 31st March, 2019
A) Transaction during the year with the Key Management Personnel		
Directors' Remuneration	317.54	207.66
B) Transaction during the year with the Entities having a signifcant influence		
Preference Share Capital issued during the year		
General Atlantic Singapore CF Pte Ltd	1,806.63	-

The following table shows the break up of Directors' Remuneration.

Directors' Remuneration	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Ajay Gupta	286.96	205.39
Om Prakash Varma	-	2.27
Kabir Sahani	30.58	-

38 Disclosure Pursuant to Accounting Standard - 15 Employee Benefits

Defined Contribution Plan

	Year ended 31st March, 2020	Year ended 31st March, 2019
Contribution to Provident Funds	214.97	131.12
Contribution to ESIC	3.99	8.19

Defined Benefit Plans: Gratuity (Funded)

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Change in Defined Benefit Obligation (DBO) during the year		
(a) Present Value of Obligation as at beginning of the year	208.69	181.28
(b) Current Service cost	42.08	25.37
(c) Past Service Cost	-	-
(d) Interest Cost	16.26	14.23
(e) Actuarial (Gain)/Loss	37.67	0.40
(f) Benefits paid	(1.26)	(12.59)
(g) Present Value of Obligation as at the close of the year	**303.44**	**208.69**
Fair Value of Plan Assets		
(a) Balance at the beginning of the year	219.54	193.22
(b) Expected return on plan assets	17.10	15.17
(c)Actuarial (Gains)/ Losses	(4.30)	(3.63)
(d) Contribution by the Company	67.04	27.37
(e) Benefits paid	(1.26)	(12.59)
(f) Settlements	-	-
Balance at the end of the year	**298.12**	**219.54**
Net Liability recognised in Balance Sheet		
(a) Present Value of Obligation	303.44	208.69
(b) Fair Value of Plan Assets	298.12	219.54
(c) Liability /(Assets) recognised in the Balance Sheet ^	**5.32**	**(10.85)**
(i) Current	**5.32**	**-**
(ii) Non Current	-	-
Expense recognised in Statement of Profit and Loss		
(a) Current Service Cost	42.08	25.37
(b) Interest Cost	16.26	14.23
(c)Expected return of Plan Assets	(17.10)	(15.17)
(d) Past Service Cost - vested benefit recognised during the period	-	-
(e)Actuarial (Gain)/Loss	41.97	4.04
(f) Total Expense recognised in the Statement of Profit and Loss ^	**83.21**	**28.47**

^ Excess of Fair value of Plan Asset over Present Value of Obligation amounting to Rs. 11.72 Lakhs had been expensed of to the Statement of Profit and Loss in the Previous year

Major Category of Plan Assets as a % of total Plan Assets		
Insurance Fund	100%	100%
Expected Contribution to the Funds in the next year	73.81	31.24

Experience Adjustment

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
(a) Present Value of Obligation as at the end of the year	303.44	208.69	208.69	168.76	123.77
(b) Fair Value of Plan Assets as at the end of the year	298.12	219.54	219.54	128.65	70.40
(c) (Surplus) / Deficit	5.32	(10.85)	(10.85)	40.11	53.37
Experience Adjustment on :					
(d) (Gain)/Loss on Plan Liability	13.88	(0.63)	(17.40)	11.72	(11.48)
(e) (Loss)/Gain on Plan Asset	(4.30)	(3.63)	(2.08)	5.04	(1.52)

Provision for Compensated Absences		
(a) Long term	144.00	86.47
(b) Short term	12.53	12.42
Actuarial Assumptions		
(a) Discount Rate (per annum)	6.84% p.a.	7.79% p.a.
(b) Expected Rate of Return on Assets (per annum)	6.84% p.a.	7.79% p.a.
(c) Salary Escalation Rate (per annum)	6.00% p.a.	6.00% p.a.
(d) Attrition Rate	2.00% p.a.	2.00% p.a.
(e) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

39 Capital commitements

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Estimated value of contracts in capital account remaining to be executed [Net of Advance of Rs. 2,322.96 Lakhs (31st March, 2019: Nil)]	2,993.68	-

(All amounts in Rs. Lakhs, unless stated otherwise)

40 Share Based Payments

"Capital Foods Employee Stock Option Plan 2019" (ESOP 2019): The Board vide its resolution dated October, 9, 2019 approved ESOP 2019 for granting Employee Stock Options in the form of Equity Shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company monitored and supervised by the Compensation Committee of the Board of Directors. The eligible employees, including directors, for the purpose of ESOP 2019 will be determined by the Board from time to time.

ESOP 2019

Date of Grant	October, 9 2019
Number of Options Granted	1,25,154
Exercise Period	October 9, 2020 - March 01, 2024
Exercise Price	4,129.80

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	Average exercise price per share option (Rs)	**Number of options**	**Average exercise price per share option (Rs)**	**Number of options**
Opening Balance	-	-	-	-
Granted during the year	4,129.80	125154	-	-
Excercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Closing Balance		**1,25,154**	-	-
Vested and excercisable	-	-	-	-

No options expired during the periods covered in the above tables.

The Company has adopted the intrinsic value method as permitted by the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer.

Effect of Share-based payment plan on the Balance Sheet and Statement of Profit and Loss:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Expense arising from employee share-based payment plan	5.62	-

41 Corporate Social Responsibility Expenditure

Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
• Gross amount required to be spent by the company during the year	6.29	-
• Amount spent:*	6.29	-

Particulars	**Year ended 31st March, 2020**		**Year ended 31st March, 2019**	
	Paid	**Yet to be paid**	**Paid**	**Yet to be paid**
(i). Construction/acquisition of any asset	-	-	-	-
(ii). On purposes other than (i) above Towards "Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)"	-	6.29*	-	-

* Subsequent to year end company paid to the "PM Care Fund".

42 Note on COVID

The outbreak of COVID -19 has severely impacted businesses around the world. In view of the various directives of Central Government /Concerned State Governments relating to lockdown, the Company, on March 24, 2020, decided to temporarily suspend manufacturing operations at its facilities, after following requisite safety protocols. The Company has since re-commenced its operations from April 14, 2020 in a phased manner, after obtaining requisite permissions, as applicable, from concerned Government authorities. Currently, all the plants manufacturing products are running at optimum capacities.
Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets, for the next one year from the date of approval of the standalone financial statements, including Property, Plant and Equipment, Trade receivables, Inventory and Investments and has concluded that there are no significant impact on its financial statements as at March 31 2020. Management believes that, in the preparation of the financial statement, it has taken into account all known events arising from COVID-19 pandemic. However, the Company will continue to monitor any material changes to future economic conditions.

43 Change in Tax Rate

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act,1961 as introduced by the Taxation Laws (Amendment) Ordinance,2019. Accordingly, the Company has re-measured its Deferred Tax liabilities (Net) (Refer Note - 7) basis the rate prescribed in the said section and written off the MAT credit asset of Rs. 344.75 Lakhs (Previous Year - Nil) to the statement of profit & loss account.

44 Previous year figures have been reclassified / regrouped, wherever necessary, to conform to this year's classification.

Signature to Notes 1 to 44

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

For and on behalf of Board of Directors

Devang Mehta
Partner
Membership No: 118785
Place: Mumbai
Date: July 22, 2020

Ajay Gupta
Managing Director
DIN : 00532308
Place: Goa
Date: July 22, 2020

Kabir Sahni
Director
DIN : 08609758
Place: Dehradun
Date: July 22, 2020

Vinit Shukla
Company Secretary
Membership No: A-43288
Place: Mumbai
Date: July 22, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Organic India Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Organic India Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate, which comprises the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and on the other financial information of subsidiary and associate prepared by the management, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules,2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at March 31, 2024, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of one step-down subsidiary, whose financial statements reflect total assets of INR 211.72 million as at June 06, 2023, total revenue of INR 30.18 million and net cash flows amounting to INR 0.18 million for the year ended on that date which has been prepared by the management of the Holding Company which have not been audited by us or any other auditor, the resultant profit on disposal of which is considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including total other comprehensive income) of INR 15.41 million for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of associate, whose financial statements have not been audited by us. These financial statements have not been audited or reviewed by other auditors but have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid step down subsidiary and associate, is based solely on the information provided by the management.

b. The Consolidated Financial statements include the Financial Statements of Organic India USA LLC (hereinafter referred to as the 'US Entity'), which states that the US Entity has incurred losses during the year ended March 31, 2024 amounting to INR 35.92 million and has accumulated losses amounting to INR 833.65 million as on that date, which has fully eroded net worth. Further, the current liabilities of the US Entity exceed its current assets by INR 156 million as at March 31, 2024. These conditions indicate the existence of material uncertainty that may cast significant doubt about the US Entity ability to continue as a going concern. However, the US Entity has received a support letter from its Holding Company (i.e. Organic India Private Limited) confirming to provide necessary financial and operational support for at least next twelve months from the date of signing of the Consolidated Financial Statements. In view of the above, the Consolidated Financial Statements have been prepared on a going concern basis.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 1(g)(vi) below on reporting under Rule 11(g).

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group company incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) above on reporting under Rule 11(g).

g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group incorporated in India.

(iv) (1) The respective Managements of the Group which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, 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 Group to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Group which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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 on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

(v) The Holding Company has neither declared nor paid any dividend during the year.

(vi) In regard to SAP accounting software:

Based on our examination, the Holding Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, but the audit trail feature has not been enabled and operated throughout the year for all relevant transactions recorded in the accounting software throughout the period.

In regard to CBO, Shopfiy and Viculum accounting softwares:

During the year ended March 31, 2024, the Holding Company has used accounting softwares which were operated by third-party software service providers for maintaining the Company's books of account during the year ended March 31, 2024. We confirm that we do not have any independent auditor's report in respect of the service organization which covers the audit trail at the service organisation and hence, we are unable to comment whether the accounting software has a feature of recording audit trail (edit log) facility nor are we able to comment on whether the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software. We are further unable to comment to whether there were any instances of the audit trail feature been tampered with.

In respect of associate company incorporated in India, we have not been provided the Independent auditor's report for the year ended March 31, 2024. Thus, we are unable to comment whether the audit trail feature was enabled in the said software and operated throughout the year. We are further unable to comment to whether there were any instances of audit trail feature been tampered with.

2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Group and its associate as it is a private Company.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFMF8210

Place: Gurugram
Date: June 18, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ORGANIC INDIA PRIVATE LIMITED

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which not have been audited by other auditors, management of the Holding Company remain responsible for the direction, supervision and performance carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFMF8210

Place: Gurugram
Date: June 18, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ORGANIC INDIA PRIVATE LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Organic India Private Limited on the consolidated Financial Statements for the year ended March 31, 2024]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Organic India Private limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), its associate company, to the extent applicable, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies 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 ICAI").

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, which is the company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and as referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary company, and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to Subsidiary company, step down subsidiary company and associate company, which are companies incorporated in India, is based on the management assessment of such companies incorporated in India.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFMF8210

Place: Gurugram
Date: June 18, 2024

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024
(All amounts in INR Million, unless otherwise stated)

Assets	Notes	As at 31 March 2024	As at 31 March 2023
Non-Current Assets			
Property, Plant and Equipment	3A	857.02	742.70
Capital work-in-progress	3A	-	89.31
Goodwill on consolidation	3B	387.19	381.70
Intangible Assets	3B	23.70	29.35
Right Of Use Assets	3C	155.85	143.57
Financial Assets			
Investment	4	-	-
Loans	5	-	8.77
Other Financial Assets	6	12.97	15.23
Non - Current Tax Assets	7	136.96	179.60
Deferred Tax Assets (Net)	8	118.10	189.87
Other Non-Current Assets	9	0.71	37.35
Total Non-Current Assets		**1,692.50**	**1,817.45**
Current Assets			
Inventories	10	660.05	610.26
Financial Assets			
Trade Receivables	11	283.85	550.06
Cash And Cash Equivalents	12	51.73	41.98
Bank Balances Other Than Cash And Cash Equivalents	13	8.79	7.76
Loans	14	13.83	17.20
Other Financial Assets	15	8.70	12.61
Other Current Assets	16	839.48	347.62
Total Current Assets		**1,866.43**	**1,587.49**
Assets Classified As Held For Sale	52	-	111.10
Discontinued Operations	48	-	179.58
Total Assets		**3,558.93**	**3,695.62**
Equity And Liabilities			
Equity			
Equity Share Capital	17	827.02	827.02
Other Equity	18	537.98	588.67
Non Controlling Interest		-	157.48
Total Equity		**1,365.00**	**1,573.17**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	19	220.17	250.49
Lease Liabilities	20	66.49	54.80
Other Financial Liabilities	21	31.55	41.63
Provisions	22	5.27	12.94
Total Non- Current Liabilities		**323.48**	**359.86**
Current Liabilities			
Financial Liabilities			
Borrowings	23	1,119.46	1,104.23
Lease Liabilities	24	22.86	19.14
Trade Payables	25		
Total Outstanding Dues Of Micro Enterprises And Small Enterprises		25.05	31.99
Total Outstanding Dues Of Creditors Other Than Micro Enterprises And Small Enterprises		409.54	327.18
Other Financial Liabilities	26	125.24	125.53
Other Current Liabilities	27	120.72	77.59
Provisions	28	47.58	38.93
Total Current Liabilities		**1,870.45**	**1,724.59**
Liabilities Directly Associated With Discontinued Operations	48	-	38.00
Total Equity And Liabilities		**3,558.93**	**3,695.62**
Summary of material accounting policies	1 - 2		
The accompanying notes form an integral part of the Consolidated Financial Statements	3 - 57		

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Nipun Gupta
Partner
Membership Number: 502896
Place: Gurugram
Date: June 18, 2024

Vikram Singh
Director
DIN: 07153318
Place: New Delhi
Date: June 18, 2024

Abhijit Midha
Director
Din: 10481897
Place: New Delhi
Date: June 18, 2024

Balram Singh
Chief Executive Officer
Place: New Delhi
Date: June 18, 2024

Alok Kumar
Company Secretary
M.NO-A26369
Place: New Delhi
Date: June 18, 2024

Vivek Rishi
Group Chief Financial Officer
Place: New Delhi
Date: June 18, 2024

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31 MARCH 2024
(All amounts in INR Million, unless otherwise stated)

	Notes	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
Income			
Revenue From Operations	29	3,328.49	2,963.96
Other Income	30	58.80	92.16
Total Income		**3,387.29**	**3,056.12**
Expenses			
Cost of Materials Consumed	31(a)	1,026.91	837.92
Cost of Contract Manufactured and Traded Goods	31(b)	328.98	334.44
(Increase) / Decrease In Inventories Of Finished Goods And Work In Progress	32	(57.33)	68.55
Employee Benefits Expense	33	643.48	561.66
Finance Costs	34	120.49	95.81
Depreciation And Amortisation Expense	3A-3B-3C	134.04	152.00
Other Expenses	35	1,248.47	2,016.69
Total Expenses		**3,445.04**	**4,067.07**
Profit / (Loss) from Continuing Operations before share of accumulated profit/(loss) In Associate Companies, Exceptional Items And Tax		**(57.75)**	**(1,010.95)**
Share of accumulated (loss) In Associate Companies		-	(2.24)
Profit / (Loss) From Continuing Operations Before Exceptional Items And Tax		**(57.75)**	**(1,013.19)**
Exceptional Items			
Gain on Sale of Asset Classified as held for Sale		16.30	-
Profit On Disposal Of Step - down Subsidiary		72.18	-
Profit / (Loss) from Continuing Operations before tax		**30.73**	**(1,013.19)**
Tax Expense:			
Current Tax		(0.08)	(0.06)
Earlier Years Tax		(0.02)	(0.22)
Deferred Tax Asset Benefit	36	(75.41)	135.74
Profit / (Loss) for the year from Continuing Operations		**(44.78)**	**(877.73)**
Discontinued Operations	48		
(Loss) Before Tax From Discontinued Operations		-	(48.69)
Tax Expense Of Discontinued Operations		-	9.61
Profit / (Loss) After Tax From Discontinued Operations		**-**	**(39.08)**
Profit / (Loss) For The Year		**(44.78)**	**(916.81)**
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit or Loss			
Actuarial Gain/(Loss) On Defined Benefit Obligation	45	(5.00)	(0.19)
Income Tax relating to items that will not be reclassified to Profit or Loss	36	1.26	0.05
Share Of Other Comprehensive Income /(Loss) From Associates		-	0.15
Items that will be reclassified from / to Statement of Profit or Loss			
Foreign Currency Translation Differences		(2.54)	20.82
Income Tax relating to items that will be reclassified from Profit Or Loss		2.36	(4.76)
Total Other Comprehensive Income / (Loss) for the year		**(3.92)**	**16.07**
Total Comprehensive Income / (Loss) for the year		**(48.70)**	**(900.74)**
Profit / (Loss) for the year attributable to:			
Owners of the Parent		(43.71)	(880.58)
Non-Controlling Interests		(1.07)	(36.23)
Other Comprehensive Income / (Loss) attributable to:			
Owners Of The Parent		(3.92)	16.07
Non-Controlling Interests		-	-
Total Comprehensive Income / (Loss) attributable to:			
Owners Of The Parent		(47.63)	(864.51)
Non-Controlling Interests		(1.07)	(36.23)
Earnings Per Equity Share - Continuing Operations	38		
Basic		(0.53)	(10.65)
Diluted		(0.53)	(10.65)
Earnings Per Equity Share - Discontinued Operations	38		
Basic		-	(0.47)
Diluted		-	(0.47)
Earnings Per Equity Share - Continuing And Discontinued Operations	38		
Basic		(0.53)	(11.12)
Diluted		(0.53)	(11.12)
Summary of material accounting policies	1 - 2		
The accompanying notes form an integral part of the Consolidated Financial Statements	3 - 57		

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Nipun Gupta
Partner
Membership Number: 502896
Place: Gurugram
Date: June 18, 2024

Vikram Singh
Director
DIN: 07153318
Place: New Delhi
Date: June 18, 2024

Abhijit Midha
Director
Din: 10481897
Place: New Delhi
Date: June 18, 2024

Balram Singh
Chief Executive Officer

Place: New Delhi
Date: June 18, 2024

Alok Kumar
Company Secretary
M.NO-A26369
Place: New Delhi
Date: June 18, 2024

Vivek Rishi
Group Chief Financial Officer

Place: New Delhi
Date: June 18, 2024

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024
(All amounts in INR Million, unless otherwise stated)

	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
A. Cash flow from operating activities		
Profit/(loss) before tax and after exceptional items from continuing operations	30.73	(1,013.19)
Adjustments for non-cash items:		
Depreciation and amortisation expense	134.04	152.00
Employee Stock Option Compensation Expense	-	1.58
(Profit) on impairment of Asset held for Sale	(16.30)	-
(Profit) On Disposal of Step - down Subsidiary	(72.18)	-
Loss on Sale/Discard of Property, Plant & Equipments (net)	10.30	2.35
Interest expense	113.22	87.56
Interest expense on lease liability	7.27	8.25
Interest income	(9.13)	(19.14)
Gain arising on disposal of Right of Use Assets	(0.79)	(19.21)
Loss on sale of Govt Scrips	-	0.80
Bad debts / advances written off	38.06	32.72
Excess Provision Written Back	(23.20)	(22.95)
Provision for non moving of inventory	8.86	95.78
Provision for Impairment of investments	6.17	197.84
Provision for Impairment of goodwill	-	209.64
Loss/(gain) arising on Derivatives measured at FVTPL	(18.64)	26.30
Net Gain arising on financial assets measured at FVTPL	(6.25)	-
Share of accumulated profit / (loss) in associate company	-	2.24
Provision for doubtful debts and advance created/ (written back)	56.08	114.38
Provision for gratuity & leave encashment	(12.48)	1.36
Provision for guarantee expenses	-	6.23
Operating profit before working capital changes	**251.96**	**(135.46)**
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	177.20	17.17
(Increase)/decrease in inventories	(58.67)	47.53
(Increase)/decrease in loans	29.29	(4.99)
(Increase)/decrease in other assets	(464.95)	8.44
Increase/(decrease) in trade payables	75.40	(191.95)
Increase/(decrease) in financial liabilities	10.47	(11.83)
Increase/(decrease) in other liabilities	66.50	72.40
Effect of Foreign Exchange Translation (Other than Fixed Assets)	1.48	(4.62)
Cash generated from/(used in) operations	**88.68**	**(203.32)**
Income tax paid (net of refund received)	50.68	(27.35)
Net cash from/(used in) operating activities - conitinuing operations	**139.36**	**(230.67)**
Net cash from/(used in) operating activities - disconitinuing operations	-	4.14
Net cash from/(used in) operating activities - total	**139.36**	**(226.53)**
B. Cash flow from investing activities		
Purchase of Property, Plant & Equipment and Intangibles Assets (including capital work- in- progress)	(123.34)	(112.03)
Proceeds from sale of Property, Plant & Equipment	132.93	0.21
Proceeds from sale of non-current investments (Disposal of subsidiary)	16.82	-
Proceeds from bank deposits (with original maturity over 3 months)	(0.86)	(4.00)
Proceeds / (Investment) from/(in) bank deposits (with original maturity over 12 months)	(0.66)	3.97
Interest received (revenue)	7.96	5.10
Net cash from/(used in) investing activities - conitnuing operations	**32.85**	**(106.75)**
Net cash from/(used in) investing activities - disconitnuing operations	-	(6.31)
Net cash from/(used in) investing activities - total	**32.85**	**(113.06)**
C. Cash flow from financing activities		
Proceeds/ (Repayment) of short-term borrowings	(6.58)	402.31
Repayment of long-term borrowings	(13.91)	7.14
Proceeds From Issue Of Shares (Including Share Premium)	-	0.28
Principal Portion of Lease Liability Paid	(23.17)	(23.71)
Interest Portion of Lease Liability paid	(7.27)	(8.25)
Interest paid	(111.51)	(85.22)
Net cash from/(used in) financing activities - continuing activities	**(162.44)**	**292.55**
Net cash from/(used in) financing activities - discontinuing activities	-	(7.50)
Net cash from/(used in) financing activities - total	**(162.44)**	**285.05**
Net increase/(decrease) in cash & cash equivalents	**9.77**	**(54.54)**
Cash & cash equivalents at the beginning of the year	41.98	53.26
Less : Cash & cash equivalents at the beginning of the year related to discontinued operations	-	33.57
Cash & cash equivalents at year end	51.73	41.98
Net increase/(decrease) in cash & cash equivalents - continuing operations	**9.75**	**(44.85)**
Net increase/(decrease) in cash & cash equivalents - discontinuing operations	**-**	**(9.67)**
Net increase/(decrease) in cash & cash equivalents	**9.75**	**(54.52)**

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024
(All amounts in INR Million, unless otherwise stated)

NOTES:

1 The above cash flow statement has been prepared under the "Indirect method" set out in the IND AS-7 on Statement of Cash Flows.
2 Figures in bracket indicate cash outflow.
3 Cash and cash equivalents at the end of the year consist of the following:

	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.34	0.82
Cheque in hand	-	0.68
Balance with banks		
- in current accounts	51.39	40.11
Deposits with maturity of less than three months	-	0.35
Interest accrued on loans and deposits	-	0.02
Total cash and cash equivalents	**51.73**	**41.98**

Changes in liabilities arising from financing activities (read with Statement of Cash Flows):

Particulars	As on 01 April 2023	Proceeds	Repayment	Non-cash change	As on 31 March 2024
Short Term Borrowings	1,091.33	6,123.95	(6,130.53)	3.37	**1,088.12**
Long Term Borrowings	263.38	-	(13.91)	2.01	**251.48**
Lease Liability	73.94	-	(30.45)	45.86	**89.35**
Total	**1,428.65**	**6,123.95**	**(6,174.89)**	**51.24**	**1,428.95**

Particulars	As on 01 April 2022	Proceeds	Repayment	Non-cash change	As on 31 March 2023
Short Term Borrowings	706.39	5,892.90	(5,524.21)	16.26	**1,091.33**
Long Term Borrowings	245.18	-	7.14	11.06	**263.38**
Lease Liability	220.42	-	(31.97)	(114.51)	**73.94**
Total	**1,171.99**	**5,892.90**	**(5,549.03)**	**(87.19)**	**1,428.65**

The accompanying notes form an integral part of the Consolidated Financial Statements 3 - 57

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Nipun Gupta
Partner
Membership Number: 502896
Place: Gurugram
Date: June 18, 2024

Vikram Singh
Director
DIN: 07153318
Place: New Delhi
Date: June 18, 2024

Abhijit Midha
Director
Din: 10481897
Place: New Delhi
Date: June 18, 2024

Balram Singh
Chief Executive Officer
Place: New Delhi
Date: June 18, 2024

Alok Kumar
Company Secretary
M.NO-A26369
Place: New Delhi
Date: June 18, 2024

Vivek Rishi
Group Chief Financial Officer
Place: New Delhi
Date: June 18, 2024

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024
(All amounts in INR Million, unless otherwise stated)

A. Equity Share Capital

Particulars	Amount
Balance as at 01 April 2022	827.02
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2023	827.02
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2024	827.02

B. Other Equity

Particulars	Reserves & Surplus					Other Comprehensive Income		Attributable to the owners of the parent	Non Controlling Interest	Total
	Securities Premium Reserve	General Reserve	Stock Option Outstanding	Treasury Shares	Retained Earnings	Remeasurements of the net defined benefit Plans (Net of tax)	Foreign Currency Translation Reserve			
Balance as at 31 March 2022	**249.48**	**18.14**	**46.13**	**(0.90)**	**1,127.40**	**0.99**	**63.62**	**1,504.86**	**179.16**	**1,684.02**
Profit for the year	-	-	-	-	(880.58)	-	-	(880.58)	(36.23)	(916.81)
Addition on account of Equity Shares transferred by employees to trust on termination	-	-	-	(13.67)	(37.52)	-	-	(51.19)	-	(51.19)
Addition on account of issue of equity shares under Employees Share Purchase Scheme	-	-	-	0.27	-	-	-	0.27	-	0.27
Transfer to General Reserve on cancellation of options issues under Employees Stock Option Plan	-	-	(46.13)	-	-	-	-	(46.13)	-	(46.13)
Addition on account of cancellation of options		45.37						45.37		45.37
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	-	0.01	-	0.01	-	0.01
Other Comprehensive Income*	-	-	-	-	-	-	16.06	16.06	14.53	30.59
Total Comprehensive Income for the year	**-**	**45.37**	**(46.13)**	**(13.40)**	**(918.10)**	**0.01**	**16.06**	**(916.19)**	**(21.69)**	**(937.88)**
Balance as at 31 March 2023	**249.48**	**63.51**	**0.00**	**(14.30)**	**209.30**	**1.00**	**79.68**	**588.67**	**157.48**	**746.15**
Profit for the year	-	-	-	-	(43.71)	-	-	(43.71)	(1.07)	(44.78)
Share of non controlling interest on Disposal of a subsidiary	-	-	-	-	-	-	-	-	(156.41)	(156.41)
Addition on account of Equity Shares transferred by employees to trust on termination	-	-	-	(2.57)	(7.21)	-	-	(9.78)	-	(9.78)
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	-	(3.74)	-	(3.74)	-	(3.74)
FCTRS on Loss of Control in Step-down Subsidiary	-	-	-	-	-	-	(7.94)	(7.94)	-	(7.94)
Deletion on sale of associate and other investment	-	-	-	-	15.32	(0.67)	-	14.65	-	14.65
Other Comprehensive Income**	-	-	-	-	-	-	(0.17)	(0.17)	-	(0.17)
Total Comprehensive Income for the year	**-**	**-**	**-**	**(2.57)**	**(35.60)**	**(4.41)**	**(8.11)**	**(50.69)**	**(157.48)**	**(208.17)**
Balance as at 31 March 2024	**249.48**	**63.51**	**0.00**	**(16.87)**	**173.70**	**(3.41)**	**71.57**	**537.98**	**(0.00)**	**537.98**

Notes
* Other Comprehensive income for the Non Controlling represents the exchange translation of the amount of Non Controlling Interest based on the consolidated financial statements of Organic India USA LLC with its subsidiary Clean Program Corp. during the previous financial year.

Summary of material accounting policies	1-2
The accompanying notes form an integral part of the Consolidated Financial Statements	3 - 57

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Nipun Gupta	**Vikram Singh**	**Abhijit Midha**	**Balram Singh**	**Alok Kumar**	**Vivek Rishi**
Partner	**Director**	**Director**	**Chief Executive Officer**	**Company Secretary**	**Group Chief Financial Officer**
Membership Number: 502896	**DIN: 07153318**	**Din: 10481897**		**M.NO-A26369**	
Place: Gurugram	**Place: New Delhi**	**Place: New Delhi**	**Place: New Delhi**	**Place: New Delhi**	**Place: New Delhi**
Date: June 18, 2024	**Date: June 18, 2024**	**Date: June 18, 2024**	**Date: June 18, 2024**	**Date: June 18, 2024**	**Date: June 18, 2024**

1. Company Overview

Organic India Private Limited ('the Holding Company') domiciled in India was incorporated under the provisions of the Companies Act, 1956, on 17 February, 1997. The Holding Company, its subsidiaries and its associates are jointly referred to as "the Group".

The Holding Company is engaged in the business of processing, manufacturing and marketing of certified organic Tulsi herbal infusions, herbal supplements, Ayurvedic medicines and other organic food products and spices.

The Subsidiaries/Associate considered in these consolidated financial statements are as below: -

a) Organic India USA LLC, a wholly owned subsidiary company domiciled in United States of America which is engaged in the marketing and the trading of the organic products.

b) The Clean Program Corp, a subsidiary company (till 6 June 2023) of Organic India USA, LLC domiciled in United States of America. Organic India USA, LLC owns Nil of its voting power as on 31 March 2024 which is engaged in manufacturing (through co-manufacturers) and sells supplements and protein shakes direct-to-consumer through its website.

c) Nutriwel Health (India) Private Limited, deemed associate (till 28 March 2024) domiciled in India. The Holding Company owns Nil of its voting power as on 31 March 2024. The erstwhile associate is engaged in the business of general medical consultancy aimed at weight loss, enhancement of health and fitness status, general wellbeing and improving the quality of life of individuals.

These Consolidated Financial Statements for the year ended 31 March 2024 prepared for consolidation in to the Holding Company's accounts were approved and authorized for issue by the Holding Company's Board of Directors on 18th June 2024.

The Holding Company, being a subsidiary of Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited), the Ultimate Holding Company, is deemed to be a public company with effect from 22 October 2021 for purposes of the Companies Act, 2013, in terms of Section 2(71) thereof, even though the Holding Company continues to be a private company in its articles of association.

2. Basis for Preparation, Measurement and Significant Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation of financial statements and Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and presentation requirements of Division II of Schedule III of Companies Act, 2013.

The Consolidated Financial Statements have been prepared on a going concern basis and historical cost basis, except for the following assets and liabilities which have been measured at fair value:

a. Defined benefit pension plans – plan assets measured at fair value.
b. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest Millions up to two decimal as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as “0” in the relevant notes to these Consolidated Financial Statements.

B. Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS-110) –Consolidated Financial Statements” and Indian Accounting Standard 28 (Ind AS-28) – “Investment in Associates and Joint Ventures”. These consolidated financial statements comprise the standalone financial statements of Holding Company and the following subsidiaries: -

Name of the Company	**Country of Incorporation**	**Holding (%)**	
		31 March 2024	**31 March 2023**
Organic India USA LLC	USA	100.00%	100.00%
The Clean Program Corp (Subsidiary through Organic India USA, LLC i.e. 100% of 50.01%)	USA	Nil	50.01%

and the following associates:

Name of the Company	**Country of Incorporation**	**Holding (%)**	
		31 March 2024	**31 March 2023**
Nutriwel Health (India) Private Limited *	India	Nil	11.00%

*Deemed Associate by way of exercising of significant influence through representation of one third of voting power on the board of Nutriwel Health (India) Private Limited.

Control is achieved when the Holding Company is exposed to or has right to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The result of the subsidiaries and associates acquired or disposed off during the year are included in the consolidated financial statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

The Consolidated Financial Statements have been prepared on the following basis:

- the standalone financial statements of the Holding Company, consolidated financial statements of Organic India USA, LLC, its wholly owned foreign subsidiary, have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.

- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

- These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

- Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest on non-controlling shareholders may be initially measure either at fair value or at the non-controlling interests proportionate share of the net value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if it results in the non-controlling interest having a deficit balance.

- Associates are those enterprises over which the Group has significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

- When the Group's share of losses exceeds the carrying value of the associate, the carrying value of its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate) is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

C. Business Combination

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognized in the Consolidated Statement of Profit and Loss.

Goodwill arising on acquisition is recognized as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. If the net fair value of the identifiable assets and liabilities, exceed the cost of acquisition, the excess is recognized as Capital reserve on consolidation.

D. Critical accounting judgements and key source of estimation uncertainty

The preparation of these consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Employee Benefits:
Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 45.

(ii) Taxes on Income

Income Tax:
Tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Group adjusts taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the year in which they are agreed or on final closure of assessment.

Deferred Tax:
Deferred Tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised and are reviewed at each reporting date and reduced to the extent it is no longer probable that related tax benefit will be realised.

(iii) Assets retirement obligation (ARO):

The liability for assets retirement obligation are recognized when the Group has obligation to perform store/shop restoration activity. The recognition and measurement of ARO involves the use of estimates and assumptions which includes the timing of handing over the licensed premises which would depend upon the lease period, the carpet area and pre-tax rate applied for discounting.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

(v) Provisions:

Provisions and liabilities are recognized in the year when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(vi) Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

E. Current vs Non-current Classification

The Group presents assets and liabilities in the Consolidated 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 year,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

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 year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

F. Material Accounting Policies

(a). Property, Plant and Equipment

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and used that carrying value as deemed cost of the property, plant and equipment.

(i) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, interest cost up to the date of construction, expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. The cost amount and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Consolidated Statement of Profit and Loss. Repairs and maintenance costs are charged to the Consolidated Statement of Profit and Loss when incurred.

(ii) The Group has adopted component accounting, wherever applicable, and identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over the lower of the useful life of the component and that of the principal asset; the remaining asset is depreciated over the life of the principal asset.

(iii) Depreciation is recognized on a Straight-line basis over the useful life as specified under Schedule II of the Act, as given below except for leasehold improvements being considered as part of building and depreciated over the period of 30 years as leases will be renewed and kept for longer period.

Particulars	Useful Life
Factory Buildings	30 Years
Building other than factory buildings	60 Years
Leasehold Improvements other than those considered as part of building	Over the period of lease
Furniture & Fixtures	10 Years
Plant and Equipments	3 Years to 15 Years
Office Equipment’s	5 Years
Electrical Installation and Equipment (Including air conditioner and cooling equipments)	10 Years
Vehicle	8 Years
Computers	3 Years

Double shift Depreciation is provided for the eligible assets as per Schedule II of the Act wherever applicable.

(iv) The residual value of all depreciable assets, being negligible, is estimated at Nil.

(v) Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for perpetuity. The Holding Company has depreciated its leasehold property over the Lease period of 90 years.

(vi) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(vii) Cost of Property, Plant and Equipment not ready for intended use on the date of Consolidated Balance Sheet are disclosed as “Capital Work- in- Progress”.

(viii) The present value of the expected cost for the de-commissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions and provisions for further information about the recorded asset retirement obligation.

(b). Intangible Assets

(i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the Group and cost of the asset can be measured reliably in accordance with the notified Ind AS– 38 on “Intangible Assets”.

(ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

(iii) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(iv) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

Particulars	**Useful Life**
Computer Software	5 Years
Trade Mark (Except for Patents which has been taken as infinite)	10 Years

(c). Impairment of Non-Financial Assets

The Group 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 Group 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. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(d). Right of Use Asset (ROU)/Leases

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on the lease liability and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Consolidated Statement of Profit and Loss.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the ROU asset. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term.

(e). Financial Instruments

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

(i) Financial Assets

Financial assets include investments, trade receivables, advances other than trade and capital related, security deposits and cash and cash equivalents.

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group’s financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial Liabilities

Financial liabilities primarily comprise of borrowings, trade payables and deposits.

Initial Recognition and Measurement

At initial recognition all financial liabilities are recognized at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognized in the Consolidated Statement of Profit and Loss as finance cost.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at amortised cost

Financial liabilities are carried at amortized cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

For trade and other payables maturing within one year from the Consolidated Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Treasury Shares

The Holding Company has created an Organic India Employees Welfare Trust (trust) for the administration of providing share-based payment to its employees, and thus the trust has been treated as its extension (branch) and accordingly, all the assets and liabilities of the trust are accounted as assets and liability of the Holding Company after eliminating the treasury shares of the Holding Company held by Trust on the basis that the Trust is merely acting as an agent of the Holding Company.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the standalone statement of profit and loss on the purchase, sale, issue or cancellation of the Holding Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in general reserve. Share options exercised during the year are satisfied with treasury shares.

(iv) Derecognition of Financial Instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109 "Financial Instruments".

A financial liability (or a part of a financial liability) is derecognized from the Group's Consolidated Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss except in case where Holding and subsidiary relationship exists, where it is adjusted against equity or in the Consolidated Statement of Profit and Loss proportionately based on the initial recognition of the said liability.

(v) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(f). Inventories

Inventories (including stock-in-transit) are stated at lower of cost being ascertained on weighted average cost basis and net realizable value. Cost of finished goods includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Work-in-Progress is valued at cost based on stage completion.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

Goods-in-transit are valued at cost comprising material cost and other direct overheads incurred till reporting date.

Abnormal amount of wasted materials is excluded from the cost of inventories and recognized as expenses.

No valuation is done for damaged stock since its realizable value, if any, is negligible.

In the consolidated financial statements, unrealized profits on the inventories lying with the subsidiaries and associates has been adjusted.

An inventory provision is recognized for cases where the realizable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete/ slow-moving inventory items.

(g). Foreign Currencies Transactions and Translations

The functional currency of the Holding Company is the Indian Rupee. These consolidated financial statements are presented in Indian Rupee.

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Consolidated Balance Sheet date. The gains and losses resulting from such translations are included in net profit in the Consolidated Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Consolidated Statement of Profit or Loss are also recognized in Other Comprehensive Income or Consolidated Statement of Profit or Loss, respectively).

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled.

Translation of financial statements of foreign entities:

On consolidation, the assets and liabilities of foreign operations are translated into ` (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in the the Consolidated Statement of Profit and Loss as other comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the Consolidated Statement of Profit and Loss .

(h). Revenue form Contracts with Customers

Sale of Goods

i) Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from Sale of Products or Services are recognised at a point of time on which the performance obligation is satisfied.

ii) Interest income is accounted for by using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets. When calculating the effective interest rate, the Group estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

iii) Interest on Income tax refunds have been provided to the extent the same have been processed and admitted by the concerned authorities and received during the year.

Loyalty points programme:

The Holding Company has two loyalty points programmes, with different validity which allows the customers to accumulate points that can be redeemed for future purchase, or any other experience as specified under the loyalty points programme policy. The loyalty points have a validity of 3 months and 12 months from the time of transaction. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to the customers based on relative standalone selling price and recognized as a contract liability until the points are redeemed.

(i). Employee Benefits

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

All employees are covered under Employees' Gratuity Scheme which is a defined benefit plan. The Holding Company contributes to an approved Employees' Gratuity Fund maintained on behalf of the Holding Company which is subsequently paid by the fund to the Life Insurance Corporation of India as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognised in the Balance Sheet.

Defined benefit costs are recognised as follows:

a) Service cost in the Consolidated Statement of Profit and Loss
b) Net interest on the net defined benefit liability (asset) in the Consolidated Statement of Profit and Loss
c) Remeasurement of the net defined benefit liability / (asset) in Other Comprehensive Income

Compensated leave of absence

Accrual for leave encashment benefit is based on actuarial valuation as on the date of Consolidated Balance Sheet in pursuance of the Holding Company's leave rules.

For Subsidiaries:

(i) Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the year when the employees render the services.

(ii) Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Subsidiaries pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Subsidiaries makes specified monthly contribution towards respective Fund. The Subsidiaries's contribution is recognized as an expense in the Consolidated Statement of Profit and Loss during the year in which the employee renders the related service.

(j). Share-Based Payments

i. Employee Stock Option Plan (ESOP):

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date in accordance with Ind AS 102, Share-Based Payment. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note 46.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Groups estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Consolidated Statement of Profit and Loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

ii. Employee Share Purchase Scheme (ESPS):

These are in the nature of employee benefit wherein the select employees shall be allowed to purchase the Holding Company's equity shares at the fair value on the grant cum allotment date on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. These are recognized at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note 47.

(k). Tax Expenses

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense comprises current and deferred tax. Tax is recognized in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Consolidated Balance Sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments and uses the approach that better predicts the resolution of uncertainty, the Group has considered.

The Group determined, based on its tax compliance, the probability estimate that its tax treatments will be accepted by the taxation authorities.

Deferred Tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Consolidated Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

(l). Earnings Per Equity Share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the year in respect of dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(m). Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Assets retirement obligation (ARO)

The Group records a provision for assets retirement obligation towards store/ shop restoration activity. Assets retirement obligation are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill ARO and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Consolidated Statement of Profit and Loss.

(n). Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(o). Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under Short-Term Borrowings in the Consolidated Balance Sheet but netted off against cash and cash equivalent in Consolidated Cash Flow Statement.

(p). Research and Development

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss.

Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Expenditure on development activities in relation to formulations is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

(q). Derivative financial instruments

The Group uses derivative financial instruments such as cross currency swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financials instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(r). Borrowing Costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS-23 – "Borrowing Costs" are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Consolidated Statement of Profit and Loss in the year in which they are incurred.

(s). Non-current assets held for sale

Non-current assets are classified as held for sale when:
(i) They are available for immediate sale
(ii) Management is committed to a plan to sell
(iii) It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
(iv) An active programme to locate a buyer has been initiated
(v) A sale is expected to be completed within 12 months from the date of classification.

Non-current assets classified as held for sale are measured at the lower of:
(i) Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
(ii) Fair value less costs of disposal.

Following their classification as held for sale, non-current assets are not depreciated.

(t). Recent Accounting Pronouncements

Ind AS 1 – Presentation of Financial Statements, on 31 March 2023, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1 April 2023, i.e., Financial Year 2023-24, One of the major changes is in Ind AS 1 'Preparation of Financial Statements.' which requires companies to disclose in their financial statements 'material accounting policies' as against the erstwhile requirement to 'significant accounting policies'. The word 'significant' is substituted by 'material'. Accordingly, the Group made changes to the accounting policies & disclosures.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes, this amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its standalone financial statement.

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3A. Property, Plant And Equipment and Capital Work -In -Progress

Reconciliation of carrying amount

Gross Carrying Value	Freehold land	Building	Leasehold improvements	Furniture and fixtures	Display Equipment	Office equipment	Plant and Equipments	Vehicles	Computers	Total Tangible Assets	Total Capital Work-in-Progress (Refer Note 1)
As at 01 April 2022	**12.07**	**427.44**	**69.90**	**59.66**	**8.15**	**16.11**	**595.73**	**4.47**	**43.18**	**1,236.71**	**1.77**
Add: Additions made during the year	-	0.40	4.09	0.48	-	0.28	1.45	-	2.84	**9.54**	**87.54**
Less: Reclassified as Held for Sale	-	-	(0.29)	(0.33)	-	-	-	-	(2.14)	**(2.76)**	**-**
Add: Foreign Currency Translation Reserve	-	-	0.02	0.40	0.68	0.38	-	-	0.88	**2.36**	**-**
Less: Disposals / adjustments during the year	-	-	(7.05)	(1.87)	-	(0.28)	(0.07)	(1.09)	(4.52)	**(14.88)**	**-**
As at 31 March 2023	**12.07**	**427.84**	**66.67**	**58.34**	**8.83**	**16.49**	**597.11**	**3.38**	**40.24**	**1,230.97**	**89.31**
Add: Additions made during the year	-	159.04	8.12	9.84	-	0.56	44.42	-	8.71	**230.69**	**111.32**
Less: Reclassified as Held for Sale	(4.70)	(6.39)	-	-	-	-	-	-	-	**(11.09)**	**-**
Add: Foreign Currency Translation Reserve	-	-	0.05	0.05	0.13	0.06	-	-	0.14	**0.43**	-
Less: Disposals / adjustments during the year	-	-	(2.78)	(7.55)	-	(2.70)	(35.35)	-	(2.45)	**(50.83)**	**(200.63)**
As at 31 March 2024	**7.37**	**580.49**	**72.06**	**60.68**	**8.96**	**14.41**	**606.18**	**3.38**	**46.64**	**1,400.17**	**-**
Accumulated depreciation and impairment losses											
As at 01 April 2022	**-**	**50.17**	**48.66**	**18.60**	**5.05**	**10.81**	**232.63**	**1.79**	**29.08**	**396.79**	**-**
Add: Depreciation charge for the year	-	14.23	8.61	6.01	1.60	2.27	64.37	0.35	6.82	**104.26**	**-**
Add: Foreign Currency Translation Reserve	-	-	0.02	0.13	0.46	0.36	-	-	0.69	**1.66**	**-**
Less: Reclassified as Held for Sale	-	-	(0.27)	(0.07)	(0.02)	(0.05)	-	-	(1.70)	**(2.11)**	**-**
Less: On disposals / adjustments during the year	-	-	(5.27)	(1.23)	-	(0.17)	(0.04)	(1.09)	(4.53)	**(12.33)**	**-**
As at 31 March 2023	**-**	**64.40**	**51.75**	**23.44**	**7.09**	**13.22**	**296.96**	**1.05**	**30.36**	**488.27**	**-**
Add: Depreciation charge for the year	-	14.90	4.66	5.97	1.06	1.88	64.45	0.35	6.36	**99.63**	**-**
Add: Foreign Currency Translation Reserve	-	-	0.01	0.03	0.11	0.06	-	-	0.13	**0.34**	**-**
Less: On disposals / adjustments during the year	-	(1.48)	(2.66)	(3.84)	-	(2.54)	(32.39)	-	(2.18)	**(45.09)**	**-**
As at 31 March 2024	**-**	**77.82**	**53.76**	**25.60**	**8.26**	**12.62**	**329.02**	**1.40**	**34.67**	**543.15**	**-**
Net carrying value											
As at 31 March 2024	**7.37**	**502.67**	**18.30**	**35.08**	**0.70**	**1.79**	**277.16**	**1.98**	**11.97**	**857.02**	**-**
As at 31 March 2023	**12.07**	**363.44**	**14.92**	**34.90**	**1.74**	**3.27**	**300.15**	**2.33**	**9.88**	**742.70**	**89.31**

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1. Capital work in progress

Particulars	As on 01 April 2022	Additions During the year	Capitalised during the year	As on 31 March 2023	Additions During the year	Capitalised during the year	As on 31 March 2024
Building Under Construction	-	77.61	-	77.61	62.65	140.26	-
Plant & Machinery under erection	-	-	-	-	37.75	37.75	-
Furniture & Fixtures	-	-	-	-	2.95	2.95	-
Incidental Expenses Pending Capitalisation							
-Interest Expense(net of income)	-	3.03	-	3.03	7.79	10.82	-
-Legal & Professional	1.72	6.90	-	8.62	-	8.62	-
-(Gain) / Loss on Exchange Fluctuation	-	-	-	-	0.18	0.18	-
-Others	0.05	-	-	0.05	-	0.05	-
Total	**1.77**	**87.54**	**-**	**89.31**	**111.32**	**200.63**	**-**

2. For Capital Work-in-Progress, the ageing schedule is as given below:

Particulars	As at 31 March 2024	As at 31 March 2023
Projects in progress:		
Less than 1 year	**-**	**87.54**
1-2 years	**-**	**1.77**
2-3 years	**-**	**-**
More than 3 years	**-**	**-**
Total	**-**	**89.31**

3. Title deeds of all immovable properties are held in the name of the Group.

Note :
The Group has not revalued Property, plant and equipment during the year and previous year.

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3B. Intangible assets and Inatngibles Assets under Development

Reconciliation of carrying amount

Gross carrying value	Computer Software	Product Formulations *	Website Design	Trademarks	Total Intangible Assets	Goodwill on consolidation	Total Intangible Assets (Including Goodwill)	Intangible Assets under Develpoment *
As at 01 April 2022	**43.92**	**12.11**	**15.48**	**144.60**	**216.11**	**585.94**	**802.05**	**17.44**
Add: Additions made during the year	18.99	(0.01)	(0.01)	1.31	20.28	-	20.28	6.84
Add: Foreign Currency Translation Reserve	0.79	-	1.32	11.61	13.72	63.38	77.10	1.40
Less: Reclassification to assets as held for sale	(9.14)	-	(8.45)	(142.14)	(159.73)	-	(159.73)	(4.58)
Less: Disposals / adjustments during the year	(0.02)	-	-	-	(0.02)	-	(0.02)	(21.10)
As at 31 March 2023	**54.54**	**12.10**	**8.34**	**15.38**	**90.36**	**649.32**	**739.68**	**(0.00)**
Add: Additions made during the year	0.57	-	-	0.58	1.15	-	1.15	-
Add: Foreign Currency Translation Reserve	0.19	-	0.12	0.06	0.37	5.49	5.86	-
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-
As at 31 March 2024	**55.30**	**12.10**	**8.46**	**16.02**	**91.88**	**654.81**	**746.69**	**(0.00)**
Accumulated depreciation and impairment losses								
As at 01 April 2022	**32.55**	**-**	**13.22**	**56.09**	**101.86**	**48.72**	**150.58**	**-**
Add: Amortisation for the year	12.77	2.42	2.28	15.18	32.65		32.65	-
Add: Impairment during the year (refer note 50(b))	-	-	-	-	-	209.65	209.65	-
Add: Foreign Currency Translation Reserve	0.40	-	0.99	3.38	4.77	9.25	14.02	-
Less: Reclassification to assets as held for sale	(1.78)	-	(8.25)	(68.23)	(78.26)	-	(78.26)	-
Less: On disposals / adjustments during the year	(0.01)	-	-	-	(0.01)	-	(0.01)	-
As at 31 March 2023	**43.93**	**2.42**	**8.24**	**6.42**	**61.01**	**267.62**	**328.63**	**-**
Add: Amortisation for the year	3.05	2.42	0.13	1.30	6.90	-	6.90	-
Add: Foreign Currency Translation Reserve	0.11	-	0.09	0.07	0.27	-	0.27	-
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-
As at 31 March 2024	**47.09**	**4.84**	**8.46**	**7.79**	**68.18**	**267.62**	**335.80**	**-**
Net carrying value								
As at 31 March 2024	**8.21**	**7.26**	**(0.00)**	**8.23**	**23.70**	**387.19**	**410.89**	**-**
As at 31 March 2023	**10.61**	**9.68**	**0.10**	**8.96**	**29.35**	**381.70**	**411.05**	**-**

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***Intangible Assets under Develpoment (Refer Note 2)**

Gross carrying value	Software	Trademark	Total
As at 01 April 2022	15.55	1.89	17.44
Add: Additions made during the year	5.87	0.97	6.84
Add: Foreign Currency Translation Reserve	1.40	-	1.40
Less: Reclassification to assets as held for sale	(4.58)	-	(4.58)
Less: Disposals / adjustments during the year	(18.24)	(2.86)	(21.10)
As at 31 March 2023	-	-	-
Add: Additions made during the period	-	-	-
Add: Foreign Currency Translation Reserve	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at 31 March 2024	-	-	-

Notes :

	As at 31 March 2024	As at 31 March 2023
1. Goodwill on consolidation includes foreign currency translation reserve and represents :		
- on acquisition of 100% shares of Organic Indi a USA LLC.	387.19	381.70
- on acquisition of 50.01% shares of Clean Program Corp. by Organic Indi a	-	267.62
	387.19	**649.32**

2. For Intangible assets under development, the ageing schedule is as given below: (as per amended schedule III)

Particulars	As at 31 March 2024	As at 31 March 2023
Projects in progress:		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**-**	**-**

Note:

1) * Based on management assessment and business plan, management has assessed the useful life of Product Formulations as five years, and is accordingly being amortised.

2) The group has not revalued Intangible assets during the year and previous year.

3) Owing to business performance of its step-down subsidiary, Clean Progarm Corp (CPC), the management of the Subsidiary Company, Organic India USA LLC had impaired during the previous year 2022-23 the value of goodwill on consolidation amounting to INR 209.65 million. The managment continues to closely monitor the performance of the entity (refer note 50(b) to the Consolidated Financial Statements).

(All amounts in INR Million, unless otherwise stated)

Note 3C - Right of use assets

Reconciliation of carrying amount

Gross Carrying Value	Leasehold Land	Leasehold Premises	Total Right Of Use Assets
As at 01 April 2022	**76.03**	**308.15**	**384.18**
Add: Additions made during the year	-	34.41	34.41
Add: Foreign Currency Translation Reserve	-	4.78	4.78
Less: Disposals / Adjustments during the year	-	(201.83)	(201.83)
Less: Related to Discointued Operations	-	(32.52)	(32.52)
As at 31 March 2023	**76.03**	**112.99**	**189.02**
Add: Additions made during the year	-	44.78	44.78
Add: Foreign Currency Translation Reserve	-	0.21	0.21
Less: Disposals / Adjustments during the year	-	(19.68)	(19.68)
As at 31 March 2024	**76.03**	**138.30**	**214.33**
Accumulated Depreciation			
As at 01 April 2022	**2.51**	**103.01**	**105.52**
Add: Depreciation charge for the year	0.85	38.64	39.49
Add: Foreign Currency Translation Reserve	-	(0.27)	(0.27)
Less: On Disposals / Adjustments during the year	-	(68.62)	(68.62)
Less: Related to Discointued Operations	-	(30.67)	(30.67)
As at 31 March 2023	**3.36**	**42.09**	**45.45**
Add: Depreciation charge for the year	0.85	26.67	27.52
Add: Foreign Currency Translation Reserve	-	0.03	0.03
Less: On Disposals / Adjustments during the year	-	(14.52)	(14.52)
As at 31 March 2024	**4.21**	**54.27**	**58.48**
Net Carrying Value			
As at 31 March 2024	**71.82**	**84.03**	**155.85**
As at 31 March 2023	**72.67**	**70.90**	**143.57**

Notes:

1. Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation. Hence the Holding Company has depreciated its leasehold land over the period of 90 years. There is no future obligation/lease payment to be made in relation to finance lease mentioned above. Accordingly, there is no reconciliation between future minimum lease payments and their present value as on 31 March 2024 and 31 March 2023.

2. Leasehold Premises represent properties taken on lease for its offices, retail outlets and warehouses accounted for in accordance with principles of Ind AS 116 'Leases'.

3. Ind AS 116 Leases:
(i) The Group's lease asset primarily consist of leases for vehicles, land and buildings for retail outlets, offices and warehouses having different lease terms.

(ii) The following is the summary of practical expedients elected on initial application:

(a) Applied incremental borrowing rate as discount rate to a portfolio of leases of similar assets in similar economic environment.

(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and for leases with variable rentals.

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standard only to contracts that were previously identified as leases under Ind AS 17.

(e) Applied the practical expedient by not considering rent concessions occuring as a direct consequence of the Covid-19 pandemic that meets the conditions in paragraph 46B of Ind AS - 116 as lease modifications. The amount of INR Nil and INR 0.16 million has been recognised in the Consolidated Statement of Profit and Loss to reflect the change in lease payments for the year ended 31 March 2024 & 31 March 2023 respectively that arise for the said rent concessions.

(All amounts in INR Million, unless otherwise stated)

Note 3C - Right of use assets

(iii) The following are the carrying value of lease liability and movement thereof during the year ended 31 March, 2024 and 31 March, 2023 :
Refer Note no. 20 & 24.

Particulars	Amount
Balance as at 01 April 2022	220.41
Additions during the year	33.12
Finance cost accrued during the year	8.25
Deletions during the year	(151.57)
Foreign Currency Translation Reserve	2.86
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	(0.16)
Payment of lease liabilities	(31.97)
Less: Reclassified on Liabilities related to discontiued operations	(7.00)
Balance as at 31 March 2023	**73.94**
Additions during the year	44.25
Finance cost accrued during the year	7.27
Deletions during the year	(5.85)
Foreign Currency Translation Reserve	0.19
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	-
Payment of lease liabilities	(30.45)
Balance as at 31 March 2024	**89.35**

(iv) The following are the amounts recognised in the Statement of Profit & Loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Finance cost	7.27	8.25
Depreciation & Amortisation Expense	27.52	39.49
Short term leases	81.30	107.58
Leases with variable rent	15.90	13.02

(v) Maturity profile of lease liabilities:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Upto 1 year	29.48	24.32
1-5 years	64.14	48.02
More than 5 years	18.28	22.63
Total Undiscounted lease liabilities	111.90	94.97
Less: Impact of discounting & Other adjustments	(22.55)	(21.03)
Total Lease Liabilities	89.35	73.94

(vi) The following are the amounts disclosed in the Statements of Cash Flow:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash outflow from Leases	30.45	31.97

(vii) The weighted average incremental borrowing rate applied to lease liabilities is 7% - 8% p.a.

(viii) Rental expense recorded for short-term leases for continuing operations and for discontinued operations (refer note 35) are as below:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
For Continuing operations	97.20	120.60
For Dis Continuing operations	-	2.09

(ix) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(x) Extension and termination options held are excercisable based on mutual agreement between the Group and the lessors.

	As at 31 March 2024	As at 31 March 2023
4 Non-current Investments		
Investments measured at Cost		
Investment in Equity Instruments (Fully paid up)		
Unquoted		
Investment in Associate Companies		
NIL (Previous Year 2,328) Equity shares of Rs 10 each fully paid up of Nutriwel Health (India) Private Limited	-	1.39
Add: Share of Accumulated Profit/(Loss) of Associate Companies	-	(1.49)
Add: Share of Other Comprehensive Income of Associate Companies	-	0.10
Total Investments measured at cost	-	-
Investments measured at fair value through Profit & Loss		
Investment in Associate Companies		
9% NIL (Previous Year 11,908,623) Optional Convertible Debentures of Rs 10 each of Nutriwel Health (India) Private Limited #	-	208.04
Add: Share of Accumulated Profit/(Loss) of Associate Companies	-	(13.66)
Add: Share of Other Comprehensive Income of Associate Companies	-	0.38
Total Investments measured at Fair Value through Profit & Loss	-	**194.76**
Investments measured at amortised cost		
Investment in Others		
6% NIL (Previous Year 5,687,538) Optionally Convertible Debentures of Rs 10 each of Composite Interceptive Med-Science Laboratories Private Limited ##	-	52.51
Total Investments measured at Amortised Cost	-	**52.51**
Total Non - Current Investments	-	**247.27**
Less: Provision for impairment in the value of investments	-	(247.27)
Total Non-Current Investments	-	-
Aggregate amount of unquoted investments	-	247.27
Aggregate amount of impairment in the value of investments	-	247.27

	As At 31 March, 2024	As At 31 March, 2023
Category-wise Non-Current Invetsment		
Financial assets carried at amortised cost	-	52.51
Financial assets measured at fair value through profit or loss	-	194.76
Total Non-Current Investment	-	**247.27**

#The Board of Directors in their meeting held on March 3, 2020, have accorded their approval to the Company for execution of a Optionally Convertible Debenture (OCD) subscription agreement dated 29th Feb 2020 for subscription towards 56,87,538 (Fifty-Six Lakhs Eighty-Seven Thousand Five Hundred Thirty-Eight) OCD's having face value INR 10/- (Ten) each issued by Composite Interceptive Med-Science Laboratories Private Limited (CIMED). The OCD's carried an interest of 6% per annum payable on an annual basis or accrued to be payable at the end of the maximum tenure period of 5 years or convertible to equity shares. The OCDs along with the accrued interest were required to the converted into Equity Shares of CIMED or redeemable at the option of the Company upon the expiry of 3 years from the date of first round of funding received by CIMED or upon the expiry of five years from the date of execution of the agreement. The shares allotted upon conversion of OCDs to the Company will rank pari passu in all respects with the existing Equity Shares of CIMED and the Company will be entitled to all rights and privileges available to the shareholders. CIMED continued to incur loss and couldn't succeed in providing any appropriate research findings or develop any new product which was the prime objective of benefitting from the investment in CIMED and had eventually eroded its net worth, accordingly, the Board of Directors in their meeting held on March 8 2024 have approved to sell the investment in OCDs to Fabindia Limited at a consolidated price of INR 83 lacs. The Company had entered into a Letter Agreement with Fabindia Limited and CIMED and transferred the OCDs upon receipt of sale consideration on 30th March 2024.

##The Board of Directors in their meeting held on November 12, 2018 have accorded post facto approval towards the execution of the Share Purchase cum Share / Debenture Subscription and Shareholders Agreement (SHA) with Nutriwel Health (India) Private Limited, (Nutriwel), One Health Ventures Pte Limited and Dr. Shikha Nehru Sharma dated November 1, 2018. The terms of the SHA provide for investment of 11 % in the equity shares of Nutriwel and investment in the Optionally Convertible Debentures of Nutriwel. Accordingly, the Company has acquired (a) 2,328 equity shares, each having face value of INR 10, constituting 11% of the paid-up share capital of Nutriwel Health (India) Private Limited ("Nutriwel"); and (b) 1,19,08,623 optionally convertible debentures of the Company each having face value of INR 10 ("OCDs"). The partnership with Nutriwel contemplated to synergize with them to promote sale of the Company's products and offer consultation for the Clean products, but after covid Nutriwel couldn't revive and continued to incur losses. The Company has an option to exercise the OCD conversion option which would result in acquiring almost 1/3rd of Nutriwel which is not in the long-term benefit of the Company.The Board of Directors in their meeting held on 8th March 2024 have approved the sale of investment in 2,328 Equity Shares and 9% 11,908,623 Optionally Convertible Debentures of Rs.10 each of Nutriwel (Health) India Private Limited to its promoter at a consolidated price of INR 0.2

(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
5 Non-current Loans *		
Unsecured, considered good, unless otherwise stated		
Advance to employees	-	8.77
	-	**8.77**
***Break up**		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	-	8.77
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**-**	**8.77**
Less: Allowance for doubtful Loans	**-**	**-**
	-	**8.77**
Due from Related Parties (refer note no. 44)		
-Alok Kumar, Company Secretary	-	0.36
-Balram Singh, Managing Director	-	1.60

As at 31 March 2024

Type of Borrower	Loans/Advances granted jointly or individually with others	Repayable on demand	Terms/year of repayment is specified	Amount outstanding as at Balance Sheet date	%age of Total
Advance to KMPs	Individually	No	Yes	-	-

As at 31 March 2023

Type of Borrower	Loans/Advances granted jointly or individually with others	Repayable on demand	Terms/year of repayment is specified	Amount outstanding as at Balance Sheet date	%age of Total
Advance to KMPs	Individually	No	Yes	1.96	22.35%

	As at 31 March 2024	As at 31 March 2023
6 Other non-current financial assets		
(unsecured, considered good unless otherwise stated)		
Security Deposits	10.15	12.98
Deposits with original maturity more than 12 months *	2.82	2.15
Interest accrued on loans and deposits	-	0.10
	12.97	**15.23**
* under lien against bank guarantees and forward contracts with banks	2.82	2.15

(All amounts in INR Million, unless otherwise stated)

			As at 31 March 2024	As at 31 March 2023
7	**Non-current tax assets**			
	Advance Income Tax (net of provision of income tax)		136.96	179.60
			136.96	**179.60**
8	**Deferred tax assets (net)**			
	The balance comprises temporary differences attributable to:			
		Increase/ (decrease)		
	Stock Reserve on inter group company sales	7.33	48.04	40.71
	Depreciation and Amortization	(6.86)	(33.69)	(26.83)
	Lease Liabilities	(3.12)	15.49	18.61
	Provision for Employee Benefit	(7.46)	6.35	13.81
	Provision for Doubtful Receivables and Advances	5.06	53.37	48.31
	Provision for Non Moving Inventory	0.55	10.51	9.96
	Fair Value change in Derivative Instruments	(6.26)	0.50	6.76
	Fair Value change in Investments	(37.64)	-	37.64
	Current year Losses **	(9.68)	22.16	31.84
	Exchange Difference on translation of Foreign Operations*	2.37	(21.72)	(24.09)
	Other timing differences	(17.32)	15.94	33.26
	Reclass of deferred tax asset on gratuity*	1.26	1.15	(0.11)
	Total deferred tax assets/(liabilities) (Net) associated with continuing operations	**(71.77)**	**118.10**	**189.87**

*Impact has been taken to other comprehensive income
** Pertains to AY 2023-24

		As at 31 March 2024	As at 31 March 2023
9	**Other non-current assets**		
	(unsecured, considered good unless otherwise stated)		
	Capital Advances	0.50	17.03
	Prepaid expenses		
	- Prepaid Employee Share Purchase Compensation (refer note 47)	-	20.32
	- Other Prepaid Expenses	0.21	-
		0.71	**37.35**
10	**Inventories**		
	(at lower of cost or net realisable value)		
	Raw Materials	83.94	83.25
	Packing Material	65.49	64.93
	Work - in - Progress	117.38	142.06
	Finished Goods		
	- Manufactured	161.17	153.70
	- Traded	179.41	83.90
	Consumables & Promotional Items	11.74	14.94
	Goods - in - Transit- Finished Goods	81.08	102.05
	Goods in Transit- Raw Material & Packaging	7.86	13.35
		708.07	**658.18**
	Less: Provision for slow and non - moving inventory	(48.02)	(47.92)
		660.05	**610.26**

Refer Note 23 for information related to inventories hypothecated by the Holding Company against the working capital loan facility.

(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
11 Trade receivables		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured, considered good	283.85	550.06
Trade Receivables which have significant increase in credit risk	217.96	137.03
	501.81	**687.09**
Less: Allowance for expected credit loss	(217.96)	(137.03)
	283.85	**550.06**
Due from Related Parties (refer note 44)		
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	51.71	6.85
- M/s Organic India Farmers Producer Co.Limited	-	0.03
- Nutriwel Health India Private Limited (Associate)	-	2.66
Total trade receivables from related parties	**51.71**	**9.54**
Less: Allowance for expected credit loss	-	(1.18)
Net Trade Receivables from Related Parties	**51.71**	**8.36**

Note: The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of consolidated balance sheet. All of the Group's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for an expected credit loss of INR 217.96 Million (previous year INR 137.03 million) has been recorded.

For trade receivables outstanding, the ageing schedule is as given below:

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment/date of transaction						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	25.11	244.10	8.80	2.26	0.83	2.75	283.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	39.40	43.96	57.27	17.91	59.42	217.96
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for Expected Credit Loss	-	(39.40)	(43.96)	(57.27)	(17.91)	(59.42)	(217.96)
Total	25.11	244.10	8.80	2.26	0.83	2.75	283.85

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment/date of transaction						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	0.07	353.83	151.85	35.85	4.15	4.31	550.06
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	13.72	21.16	40.60	47.36	14.19	137.03
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for Expected Credit Loss	-	(13.72)	(21.16)	(40.60)	(47.36)	(14.19)	(137.03)
Total	0.07	353.83	151.85	35.85	4.15	4.31	550.06

(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
***Movement in Allowance for expected credit loss**		
Balance at the beginning	137.03	51.55
Provision during the year	83.24	85.48
Amounts utilized / written back during the year	(2.31)	-
Balance at the end	**217.96**	**137.03**

12 Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balances with banks		
-In Current Accounts	51.39	40.11
Deposits with maturity of less than three months *	-	0.35
Cheque on hand	-	0.68
Interest accrued on loans and deposits	-	0.02
Cash on hand	0.34	0.82
	51.73	**41.98**
* under lien against bank guarantees and forward contracts with banks	-	0.35

13 Bank balances other that cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity of more than three months but less than twelve months*	8.26	7.40
Interest accrued on loans and deposits *	0.53	0.36
Total bank balances other than cash & cash equivalents	**8.79**	**7.76**
* under lien against bank guarantees, Letter of credits and forward contracts with banks	8.79	7.76

14 Current Financial Assets - Loans*

	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Advances to Employees	13.83	30.84
Other Loans	-	6.00
	13.83	**36.84**
Less: Allowance for doubtful advances	-	(19.64)
	13.83	**17.20**
***Break up**		
Loans considered good - Unsecured	13.83	17.20
Loans which have significant increase in credit risk	-	19.64
Total	**13.83**	**36.84**
Less: Allowance for expected credit loss	-	(19.64)
	13.83	**17.20**
Due from Related Parties (refer note no. 44)		
-Subrata Dutta, Managing Director*	-	15.76
-Vikash, Chief Financial Officer	-	2.52
-Alok Kumar, Company Secretary	0.44	0.04
-Balram Singh, Managing Director	1.94	0.18

* The provision of INR 13.64 Mn has been made against advance to Subrata Dutta during financial year 2022-23.

As at 31 March 2024

Type of Borrower	Loans/Advances granted jointly or individually with others	Repayable on demand	Terms/year of repayment is specified	Amount outstanding as at Balance Sheet date	%age of Total
Loan to KMPs	Individually	No	Yes	2.38	17.23%

As at 31 March 2023

Type of Borrower	Loans/Advances granted jointly or individually with others	Repayable on demand	Terms/year of repayment is specified	Amount outstanding as at Balance Sheet date	%age of Total
Loan to KMPs	Individually	No	Yes	18.50	50.22%

(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
15 Current Financial Assets - Others		
(unsecured, considered good unless otherwise stated)		
Security Deposits	14.49	12.61
	14.49	12.61
Less: Allowances for doubtful deposits	(5.79)	-
	8.70	**12.61**
16 Other Current Assets		
Unsecured, Considered Good unless otherwise stated		
Prepaid expenses		
- Prepaid Employee Share Purchase Compensation	-	7.58
- Other Prepaid Expenses	17.66	13.70
Advance to supplier		
- Considered Good	29.31	24.94
- Considered Doubtful	3.48	11.39
Goods and Service Tax Input Credit Recoverable	301.12	288.11
Balance with Government Authorities	0.31	0.31
Grant Receivable		
- Duty Drawback Receivable	6.46	3.62
- RoDTEP Receivable (Remission of Duties and Taxes on Export Products)	6.02	6.70
- MEIS Scrips Receivable	-	1.06
Other Receivable *	478.60	1.60
	842.96	**359.01**
Less: Allowance for Doubtful Advances	(3.48)	(11.39)
	839.48	**347.62**
*Included due from related parties (refer note no. 44)		
- M/s Fabindia Limited (Holding) ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	463.60	-

(All amounts in INR Million, unless otherwise stated)

17 EQUITY SHARE CAPITAL

	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
AUTHORISED SHARE CAPITAL				
Equity Shares of Rs 10/- each	89,400,000	894.00	89,400,000	894.00
	89,400,000	**894.00**	**89,400,000**	**894.00**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of Rs.10/- each fully paid up	82,702,497	827.02	82,702,497	827.02
	82,702,497	**827.02**	**82,702,497**	**827.02**

During the year, the Holding Company has transferred NIL Equity Shares (Previous Year 27,750) to the eligible employees under the Organic India Pvt Ltd Employee Share Purchase Scheme(ESPS) as Long Term Service Award. The Nomination and Remuneration Committee has approved vesting of NIL Equity share (Previous Year 28,513) during the year to any of its eligible employees of the Holding Company under ESPS.

The Board of Directors of the Holding Company in their meeting on 8 March 2024 have approved buyback of upto a maximum of 2,00,000 Equity Shares of the Holding Company on a proportionate basis through tender offer at a price of INR 216.16 per share, aggregating to INR 43.23 million. The Buyback period was initially for 15 days starting from 12 March 2024 upto 26 March 2024 which was further extended for 7 more days upto 3 April 2024. The Buyback offer was closed on 3 April 2024 where 86,470 Equity shares were tendered by the Shareholders under buyback. The Holding Company has approved cancellation of 86,470 Equity Shares via resolution by circulation approved on 11 April 2024.

a). Terms/rights attached to Equity Shares

The Holding Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of equity shares is entitled to dividends as and when the Holding Company declares and pays dividend after obtaining shareholders approval. The Holding Company declares and pays dividend in Indian Rupees.

The Board has not proposed any dividend for the year ended 31 March 2024 & 31 March 2023.

In the event of liquidation of the Group, the equity shareholders are eligible to receive the remaining assets of the Group, after distribution of all preferential amounts, in proportion to their shareholding.

b). Shares held by Ultimate holding and/or their subsidiaries/ associates

Out of the equity shares issued by the Holding Company, shares held by Ultimate holding Company are as below:

Equity Shares	As at 31 March 2024			As at 31 March 2023		
	No of Shares	Amount	Percentage	No of Shares	Amount	Percentage
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited) (Equity shares of Rs. 10/- each)	52,964,703	529.65	64.04%	52,751,805	527.52	63.79%

c) The details of shareholding of promoters as at 31 March, 2024 and 31 March, 2023 is set out below: (as per amended schedule III)

Name of shareholder	As at 31 March 2024			As at 31 March 2023		
	No of Shares	% of shareholding	% changes during the year	No of Shares	% of shareholding	% changes during the year
Equity Shares of Rs. 10/- each fully paid up						
OI (India) Holdings, LLC	14,001,189	16.93%	0.00%	14,001,189	16.93%	-27.96%
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	52,964,703	64.04%	0.40%	52,751,805	63.79%	24.11%

d). The details of shareholders holding more than 5% shares as at 31 March 2024 and 31 March 2023:

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Percentage	No of Shares	Percentage
Equity Shares of Rs. 10/- each fully paid up				
OI (India) Holdings, LLC	14,001,189	16.93%	14,001,189	16.93%
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	52,964,703	64.04%	52,751,805	63.79%
PI Opportunity Fund I Scheme II	12,405,375	15.00%	12,405,375	15.00%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e). The reconciliation of the number of shares outstanding as at 31 March 2024 and 31 March 2023:

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of Shares	Amount	No of Shares	Amount
Equity Shares of Rs. 10/- each fully paid up				
Number of shares in the beginning	82,702,497	827.02	82,702,497	827.02
Add: Shares issued to employees by Organic India Welfare Trust under Employee Share Purchase Scheme*	-	-	-	-
Number of shares at the end	**82,702,497**	827.02	**82,702,497**	827.02

f.) Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date.
g.) There are no such shares issued, allotted or bought back during the period of five years immediately preceding the reporting date.
h.) There are no shares reserved for issue under options and contracts for sale of shares.

(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
18 Other Equity		
Attributable to Owners		
Reserves & Surplus		
General Reserve	63.51	63.51
Securities Premium	249.48	249.48
Treasury Shares	(16.87)	(14.30)
Retained Earnings	173.70	209.30
Remeasurements of the net defined benefit Plans (Net of tax)	(3.41)	1.00
Other Comprehensive Income		
Foreign Currency Translation Reserve	71.57	79.68
	537.98	588.67
Non Controlling Interest	-	157.48
	537.98	**746.15**

Nature and purpose of each reserves

a) General reserve
This reserve represents appropriation of Profits after dividend from Surplus in Consolidated Statement of Profit and Loss at each year end. The same can be utilized by the Group in accordance with the provisions of the Companies Act, 2013.

b) Securities premium
The amount received in excess of face value of equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

c) Treasury Shares
Treasury shares held by OIPL employee welfare trust (acting as an agent of the company) for issuance to employees of the company under Organic India Private Limited employee share purchase scheme 2022 (OIPL ESPS)

d) Retained Earning
Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Remeasurements of the Net Defined Benefit Plans

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in Other Comprehensive Income.

f) Foreign Currency Translation Reserve
Exchange differences arising on translation of assets, liabilities, incomes and expenses of the Group's foreign subsidiaries are recognised in Other Comprehensive Income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the Consolidated Statement of Profit and Loss on disposal of the related foreign subsidiaries.

(All amounts in INR Million, unless otherwise stated)

		As at 31 March 2024	As at 31 March 2023
19	**Non-Current Financial Liabilities - Borrowings**		
	Secured		
	Term Loan		
	From Banks		
	- Citi Bank *	109.80	123.71
	Unsecured		
	Loans from Related Parties		
	OI (US) Holdings LLC #	141.68	139.67
		251.48	**263.38**
	Less: Current Maturity of Long -Term Debt shown under Note 23	(31.31)	(12.89)
		220.17	**250.49**

This pertains to amount due to OI (US) Holdings, LLC, entity under common Control

Details of Borrowings are as follows:

As at 31 March 2024

Particulars	Purpose and Terms of Repayment	Securities Provided	Rate Of Interest	Upto 1 year	1-5 years	More than 5 years
* CITI Bank	(a) Purpose: For financing the capital expenditure for Plot No. C-7 at UPSIDC during FY 2022-23	(a) First pari-passu charge on movable fixed assets of the company, both present and future at existing Barabanki unit and new unit at C-5/10, UPSIDC, Agro Park, Phase-2, Kursi Road, Barabanki-225302,Uttar Pradesh.	5y interest rate swap at a fixed rate coupon of USD 5.35% on monthly basis.	31.31	78.49	-
	(b) Tenure of 5 years including moratorium period of 12 months	(b) First pari-passu charge on immovable fixed assets of the company, both present and future at existing Barabanki unit and new unit at C-5/10, UPSIDC, Agro Park, Phase-2, Kursi Road, Barabanki-225302,Uttar Pradesh.				
# OI (US) Holdings LLC	(a) Purpose - For meeting working capital requirements. (b) Repayable as a balloon payment by March 27, 2025 as per the terms of the agreement.	No charge has been created on the assets of the Group.	The loan carry interest rate of 4% per annum payable quarterly.	-	141.68	-

The Group has been regular in payment of principal and interest as stipulated in respect of the above mentioned loans and has registered the charges with the Registrar of Companies, within the stipulated period prescribed under the Companies Act, 2013.

As at 31 March 2023

Particulars	Purpose and Terms of Repayment	Securities Provided	Rate Of Interest	Upto 1 year	1-5 years	More than 5 years
* CITI Bank	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2022-2023	(a) First Pari passu charge on entire movable fixed assets of the Company (Present and future)	5y interest rate swap at a fixed rate coupon of USD 5.35% on monthly basis.	12.89	110.82	-
	(b) Repayable in 16 equal quarterly installments of USD 5,37,109 each commencing from November 2018 and ending August 2022.	(b) First Pari passu charge on entire immovable fixed assets of the Company (Present and future)				
# OI (US) Holdings LLC	(a) Purpose - For meeting working capital requirements. (b) Repayable as a balloon payment by March 27, 2025 as per the terms of the agreement.	No charge has been created on the assets of the Group.	The loan carry interest rate of 4% per annum payable quarterly.	-	139.67	-

The Group has been regular in payment of principal and interest as stipulated in respect of the above mentioned loans and has registered the charges with the Registrar of Companies, within the stipulated period prescribed under the Companies Act, 2013.

(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
20 Non-Current Financial Liabilities - Lease Liabilities		
Lease Liability	66.49	54.80
	66.49	**54.80**
21 Non-Current Other Financial Liabilities		
Security Deposits Received	31.55	36.65
Forwards Contracts/Options and Swap Payables	-	4.98
	31.55	**41.63**
22 Non-Current Provisions		
Provision for Employee Benefits		
- Gratuity	0.98	8.73
Provision for Asset Retirement Obligations #	4.29	4.21
	5.27	**12.94**

(i) Information about individual provisions and significant estimates

a) **Provision for asset retirement obligation** - A provision has been recognised for Asset retirement obligation costs associated with the stores taken on operating lease by the Group. The Group is committed to return the stores in as is position at the expiry of those leases. The Group has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

 # Movement in Provision for Asset Retirement Obligations during the year

Balance at the beginning	4.21	4.34
Provision during the year	0.10	0.05
Amounts utilized / written back during the year	(0.02)	(0.18)
Balance at the end	**4.29**	**4.21**

(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
23 Short - Term Borrowings		
Secured		
Current Maturity of Long Term Debt(Refer Note 19)	31.31	12.89
-Ctit Bank		
Working Capital Demand Loan (WCDL) from: (refer note below)		
-Axis Bank*	663.40	747.48
-Citi Bank**	50.00	
- HDFC Bank***	60.25	56.36
-ICICI Bank****	62.10	6.44
Line of Credit		
-Citi Bank, N.A. #	237.52	234.15
Unsecured		
-Vendor Financing (for MSME Payments) ##	14.88	46.91
	1,119.46	1,104.23

* The Holding Company had been sanctioned secured cash credit, working capital demand loan and Export credit Limits (pre shipment and post shipment) from AXIS Bank Ltd. amounting to INR 850 millions for financing the short-term working capital requirements.
The said facilities are secured by first pari-passu charge on entire current assets of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) both present and future of the Holding Company. The interest rate for the said facilities is as below:
a. Pre shipment credit - ranging between 7.60% to 7.67%
b. WCDL - Repo + 7.25% to 7.75%
c. Cash Credit - 9.60%.
The Holding Company has been regular in payment of principal and interest as stipulated.

** The Holding Company had been sanctioned secured Cash Credit, working capital demand loan and Packing Credit facilities from Citibank amounting to INR 120 millions for financing short-term working capital requirements. The said facilities are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Company. The interest rate for the said facilities is 8.5% to 8.65%p.a. The Holding Company has been regular in payment of principal and interest as stipulated.

*** The Holding Company has been sanctioned secured cash credit, working capital demand loan and export credit limits from HDFC Bank Limited to INR 150 Million for financing short term working capital requirements. The said facilities carry interest rate between 10.20% to 10.43% p.a. and are secured against first pari-passu charge on current assets present and future of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company. The Holding Company has been regular in payment of principal and interest as stipulated.

****The Holding Company is in the process of availment of additional secured cash credit, working capital demand loan and export credit limits from ICICI Bank Limited for an amount of INR 200 million for financing short-term working capital requirements. The said facilities will carry interest rate between 9.20% to 9.30% and will be secured against the first pari-passu charge on the current assets present and future of the Holding Company and second pari-passu charge on the fixed assets (moveable and immovable) of the Holding Company. The Board of Directors of the Holding Company in their meeting held on 01 April 2022 had approved the availment of the said working capital limits and the Company will execute documents for setting up the said short-term credit limits as required. The Holding Company has been regular in payment of principal and interest as stipulated.

The Subsidiary Company, Organic India USA LLC, has been sanctioned secured Line of Credit from CitiBank N.A. for financing short term working capital requirements amounting to USD 3 Million. The said credit carrires an interest rate of 2% above the base rate as defined in the agreement payable quarterly(effective rate 3%) and is secured against the inventory of the said Subsidiary Company. The said Line of Credit facility is repayable on demand.

Vendor Financing: The Holding Company has taken a Vendor Financing service from TREDS (Trades Receivables Discounting System) Ltd which is a regulated entiry licensed by Reserve Bank of India and is governed under Payment and Settlement System Act 2007 and is an institution mechanism to facilitate the financing of trade receivables through Factoring / Reverse Factoring of Micro, Small, and Mediam enterprises due from Corporate buyers like the Company. The usance period is upto 180 days from the date of Factoring unit creation, subject to the Facroring Unit of the Seller to be factored within 45 days from invoice Acceptance Date. The rate of interest is decided through a transparent bidding system by registered financers on the platform, to be recovered upfront at the time of discounting for the entire usance period. The Group has been regular in payment of principal and interest as stipulated.

The Group has registered the charges with the Registrar of Companies within the stipulated period prescribed under the Companies Act, 2013.

(All amounts in INR Million, unless otherwise stated)

		As at 31 March 2024	As at 31 March 2023
24	**Current Financial Liabilities - Lease Liabilities**		
	Lease Liabilities	22.86	19.14
		22.86	19.14
25	**Trade Payables**		
	Total outstanding for Goods and Services		
	- Due of micro enterprises and small enterprises (Refer Note 51)	25.05	31.99
	- Due of creditors other than micro enterprises and small enterprises	409.54	327.18
		434.59	**359.17**

For trade payables outstanding, the ageing schedule is as given below:

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.90	12.15	-	-	-	**25.05**
(ii) OTHERS	117.80	118.85	5.57	0.06	0.37	**242.65**
(iii) DISPUTED DUES - MSME	-	-	-	-	-	**-**
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-	**-**
(v) UNBILLED - MSME	-	-	-	-	-	**-**
(vi) UNBILLED - OTHERS	166.89	-	-	-	-	**166.89**
TOTAL	**297.59**	**131.00**	**5.57**	**0.06**	**0.37**	**434.59**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	13.36	18.63	-	-	-	**31.99**
(ii) OTHERS	35.49	209.95	6.09	0.45	0.02	**252.00**
(iii) DISPUTED DUES - MSME	-	-	-	-	-	**-**
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-	**-**
(v) UNBILLED - MSME	-	-	-	-	-	**-**
(vi) UNBILLED - OTHERS	75.18	-	-	-	-	**75.18**
Total	**124.03**	**228.58**	**6.09**	**0.45**	**0.02**	**359.17**

26	**Current Financial Liabilities - Others**		
	Interest accrued but not due on borrowings *	5.58	4.21
	Payable for capital goods	9.44	6.76
	Security Deposits Received	45.18	50.56
	Forwards Contracts/Options and Swap Payables	1.98	21.89
	Employee Related Payable	63.06	42.11
		125.24	**125.53**
	* This includes due to OI (US) Holdings LLC, a entity under common control	4.25	2.79
27	**Other Current Liabilities**		
	Statutory Dues (including provident fund and tax deducted at source)	33.81	10.04
	Refund Liabilities*	54.81	57.39
	Contract Liabilities		
	- Loyalty programme obligations	0.67	-
	- Advances from Customers	31.43	10.16
		120.72	**77.59**
	*** Movement in Refund Liabilities during the year**		
	Balance at the beginning of the year	57.39	22.66
	Add: Additions during the year	38.77	35.95
	Less: Utilised during the year	(41.35)	(1.22)
	Balance at the end	**54.81**	**57.39**

(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
28 Current Provisions		
Provision for Employee Benefits		
- Leave Encashment	21.19	20.93
Provision for Tax Litigations	25.61	17.50
Provision for Asset Retirement Obligations *	0.78	0.50
	47.58	**38.93**

* **Provision for asset retirement obligation**- A provision has been recognised for asset retirement obligation costs associated with the stores taken on operating lease by the Group. The Group is committed to handover the vacant stores in the same condition as it was handed over by the licensor at the expiry of those leases. The Group has estimated an average cost (per unit) for decommissioning the said stores based on past trends and provided for asset retirement obligation.

(i) Movement in Provisions during the year

Provision for Tax Litigations		
Balance at the beginning	17.50	-
Provision during the year	8.11	17.50
Amounts utilized / written back during the year	-	-
Balance at the end	**25.61**	**17.50**
Provision for Asset Retirement Obligations		
Balance at the beginning	0.50	0.10
Provision during the year	0.28	0.58
Amounts utilized / written back during the year	-	(0.18)
Balance at the end	**0.78**	**0.50**

(All amounts in INR Million, unless otherwise stated)

	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
29 Revenue from operations		
Sale of Products		
- Domestic	3,000.84	2,639.23
- Exports	316.61	313.93
	3,317.45	2,953.16
Other Operating Revenue		
Government Grants*		
- Duty Drawback Received / Export Incentives / MEIS Scrips Received	11.04	10.80
	3,328.49	**2,963.96**
*Refer note 39 for disclosure on government grants.		
Details of Products Sold		
- Herbal Infusions	1,196.16	1,157.31
- Ayurvedic Medicines(Formulations)	1,020.72	790.44
- Packaged Foods	594.49	532.49
- Psyllium	240.03	221.12
- Dehydrated Fruits & Vegtables	143.93	85.11
- Body Care Products	19.30	17.71
- Others	102.82	148.98
	3,317.45	**2,953.16**
Reconciliation of Revenue with Contracted Price		
Revenue as per contracted price	4,575.24	3,927.77
Less : Adjustments		
Discounts and Rebates	(1,201.52)	(938.66)
Loyalty programme obligation	(0.67)	-
Refund Liabilities	(55.60)	(35.95)
	(1,257.79)	(974.61)
Total Revenue from contract with customers	**3,317.45**	**2,953.16**

a) The Table below represents summary of contracts and liabilities relating to the customers:

Contract Assets : Trade Receivables	501.81	687.09
Contract Liabilities :		
Advance from customers	31.43	10.16
Refund Liabilities	54.81	57.39
Loyalty programme obligation	0.67	-

b) The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer.

30 Other income		
Interest Income		
Bank Deposits	0.70	0.55
Loan	-	0.71
Debentures	1.71	14.13
Others	6.72	3.75
Liability Written Back	23.20	22.55
Net Gain arising on Forward Contracts & Options measured at FVTPL	6.25	-
Foreign Exchange Fluctuation Gain	8.57	30.43
Gain arising on termination of lease	0.79	19.21
Profit on Sale Of Property, Plant & Equipments	0.99	-
Provision for Sales Tax Forms Written Back	-	0.14
Miscellaneous Receipts	9.87	0.69
	58.80	**92.16**

31(a) Cost of materials consumed		
Opening Stock	176.48	212.83
Add: Purchases	1,019.47	801.57
	1,195.95	1,014.40
Less: Closing Stock	169.04	176.48
	1,026.91	**837.92**

31(b) Cost of contract manufactured & traded goods		
Purchase of finished goods	328.98	334.44
	328.98	**334.44**

(All amounts in INR Million, unless otherwise stated)

	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
32 (Increase) / Decrease in inventories of Finished Goods and Work-in-Progress		
Opening inventory		
Finished Goods		
- Manufactured	153.70	180.25
- Traded	83.90	131.75
- Goods in Transit- Finished Goods	102.05	69.94
Work-in-Progress	142.06	168.32
	481.71	550.26
Closing inventory		
Finished Goods		
- Manufactured	161.17	153.70
- Traded	179.41	83.90
- Goods in Transit- Finished Goods	81.08	102.05
Work-in-Progress	117.38	142.06
	539.04	481.71
	(57.33)	**68.55**
33 Employee benefits expense		
Salaries and wages	597.42	516.83
Contribution to Provident Fund & Other Funds	24.86	22.43
Contribution to Employee State Insurance Scheme	0.43	0.96
Employee Share Purchase Compensation Expense	-	1.58
Staff Welfare Expenses	20.77	19.86
	643.48	**561.66**
34 Finance costs		
Interest Expense		
Term Loan	1.09	1.13
Loan Processing Charges	1.84	1.42
Short - Term facilities *	104.86	81.05
Others	5.08	3.62
Unwinding of Discount on Asset Retirement Obligation	0.35	0.34
Lease Liabilities	7.27	8.25
	120.49	**95.81**
* This includes interest expense to OI (US) Holding LLC, Entity having common control	5.63	5.46

(All amounts in INR Million, unless otherwise stated)

	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
35 Other expenses		
Processing Expenses	-	3.63
Power & Fuel	28.56	29.24
Rent	97.20	120.60
Repair and maintenance		
- Building	8.75	16.78
- Computers, machinery and other equipments	36.98	34.75
- Others	41.34	47.38
Freight outward	214.78	225.66
Insurance (Net of Recovery)	28.34	26.20
Travelling Expenses (includes Conveyance and Vehicle Running)	65.75	66.64
Legal and Professional Expenses	128.15	205.99
Auditor's Remuneration (Refer Details Below)*	8.45	4.89
Communication Expenses	6.41	6.92
Corporate Social Responsibility Expenses (refer Note 55)	0.91	1.50
Bad Debt written off	35.47	31.74
Provision for Guarantee Expenses	-	6.23
Provision for Doubtful debts and advances	56.08	114.38
Provision and Written off of Obselete Inventory	8.86	95.78
Provision for impairment of Investments	1.54	197.84
Inventory Disposal Expense	2.41	2.50
Provision for Impairment of Goodwill (refer note 50)	-	209.64
Certification Expenses	21.12	20.24
Product Liability	3.05	5.18
Rates & Taxes	38.46	55.87
Lab Expenses (includes Testing Expenses)	39.94	35.52
Donation	1.90	1.91
Net Loss on sale of investments	6.17	-
Loss arising on Derivatives measured at FVTPL	-	56.19
Loss on Sale/Discard of Property Plant and Equipment (Net)	11.29	2.35
Loss On Sale Of Govt. Incentive Scrips	-	0.80
Miscellaneous Expenses	19.49	21.16
Business Support / Management Fee	-	33.90
Bank Charges	14.94	13.58
Advertisement Expense	322.13	321.70
Total Other Expenses	**1,248.47**	**2,016.69**

*Payments to Auditors		
- Audit Fee	7.98	4.84
- Certification Expenses	0.10	0.05
- Reimbursement of out of pocket expenses	0.37	-
Total	**8.45**	**4.89**

(All amounts in INR Million, unless otherwise stated)

	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
36 Tax expense		
(a) Tax expense recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	(0.08)	(0.06)
Adjustments/(credits) related to previous years (net)	(0.02)	(0.22)
Total (A)	**(0.10)**	**(0.28)**
Deferred Tax		
Orignation and reversal of temporary differences	(75.41)	135.74
Attributable to Continuing Operations	(75.41)	135.74
Total (B)	**(75.41)**	**135.74**
Total (A+B)	**(75.51)**	**135.46**

(b) Amounts recognised in Other Comprehensive Income

The tax (charge)/ credit arising on income and expenses recognised in Other Comprehensive Income is as follows:

	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
On items that will not be reclassified to Profit or Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	1.26	0.05
Exchange Difference on translation of Foreign Operations	2.36	(4.76)
Total	**3.62**	**(4.71)**

(c) Reconciliation of effective tax rate

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
Profit / (Loss) from continuing operations before tax	30.73	(1,013.19)
Tax using the Company's domestic tax rate (31 March 2024: 25.17%, 31 March 2023: 25.17%)*	7.73	(254.99)
Tax effect of:		
Non-deductible tax expenses		
Effect of tax related to losses of previous year on which deferred tax asset was not created	(7.05)	-
Effect of tax related to expenses not deductible for income tax	0.23	0.19
Effect of tax related to previous years	4.94	0.22
Effect of Tax on Indexation of land	(3.65)	(2.95)
Effect of Tax on Elimination of Stock Reserve	7.33	2.23
Effect of Difference in tax rates	(2.63)	3.48
Effect of tax on loss of the subsidiary on which deferred tax not recognised	-	113.11
Effect of Tax on Capital loss	70.26	-
Others	(1.65)	3.25
	75.51	**(135.46)**

* Provision for income tax has been computed by considering that the Holding Company opts for payment of income tax as per the provisions of Section 115BAA of the Income Tax Act, 1961.

(All amounts in INR Million, unless otherwise stated)

37 Contingent liabilities and commitments

	As at 31 March 2024	As at 31 March 2023
A Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debt		
- FSSAI Demands not provided for*	3.00	3.00
-Goods & service Tax demands not provided	84.63	1.52
-Income Tax demands under appeals not provided for**	165.51	113.55
- Labour law demand under appeals not provided for***	2.15	2.30
- Civil Demands not provided for****	0.47	0.47
- Claims from Ex-employees not provided for*****	4.16	-
- Customer claims not provided for******	4.00	-

* Demands had been received from Food Safety and Standards Authority of India (FSSAI) by the Holding Company in the previous years against which adverse orders have been received by the Holding Company. However, no provision has been made as the final order for demand has not yet been issued by FSSAI and limitation period is already over.
The other notices served by FSSAI are still under adjudication and no demand has been made as such by the department and not included above. The maximum penalty is INR 4.1 million.

** - Income Tax demands under appeals not provided for includes certain demand with respect to prior years in addition to the following:
a) For AY 2013-14, the assessment has been concluded with the TP adjustment of INR 12.73 million however with excess taxes deposited by the Holding Company, Income tax demand of INR 6,250 was generated under section 156 of Income Tax Act, 1961. Further assessee filed appeal against the said order before Commissioner of Income Tax (Appeal). Thereafter Re-assessment done u/s 148 and demand determined by the AO of INR 5.43 million against the TP adjustment of INR 12.73 million.

b) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2016-17 amounting to INR 85.25 million, out of which INR 17.05 million has been deposited with the department during the current year and appeal against the said order has been filed before Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favorable order in this regard and Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2017-18 amounting to INR 22.87 million, out of which INR 4.57 million has been deposited with the department during the current year and appeal against the said order has been filed before Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

c) AY 2020-21, Regular assessment completed with disallowance of expenditure of INR 111.24 million however with excess Advance tax deposited by the Holding Company, Income tax demand was not generated under section 156 of Income Tax Act, 1961. Further assessee filed appeal against the said order has been filed before Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

d) AY 2021-22, Regular assessment completed with disallowance of expenditure of INR 92.53 million, Income Tax demand was generated under section 156 of Income Tax Act, 1961 of INR 31.27 Mn. Further assessee filed appeal against the said order before Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a

*** Few ex-employees of the Holding Company had filed complaints in Industrial/Labour Court of Lucknow against the Holding Company challenging their termination and no provision has been made for the said demands in the books as the Holding Company has represented to the authorities and is hopeful of getting a favourable order in this regard.

**** A vendor has filed a recovery suit against the Holding Company for non payment of the goods rejected and returned to them and no provision has been made for the demand in the books as the Holding Company has represented to the authorities and is hopeful of getting a favourable order in this regard.

***** Few ex-employees of the Holding Company have sent legal notice to the Holding Company and its key managerial personnels claiming payment for the value of the equity shares allocated to them under the ESPS Scheme for their tenure with the Holding Company. The Holding Company has not made any provision as these employees have already signed no dues letter.

****** The Holding Company has received notice from one customer claiming compensation and damages on account of Holding Company's product being sold at different prices at different retail partners. The Holding Company has not created any provision for it as it is anticipating a favourable order once the procedings starts.

(b) The Holding Company is covered under the provisions of Section 3(2) of the Biodiversity Act, 2002 and had applied for seeking approval for the Prior access and Future access of Biological Resources with National Biodiversity Authority. Accordingly, the Holding Company had suo motto deposited an amount of INR 2.96 million in the previous year and an amount of INR 2.59 million in the current year with respective State Biodiversity Board as required under the said Act for the Financial years 2015-16 to the financial year 2017-18 pending the approval from the National Biodiversity Authority. The Holding Company has received an approval for the Future access of Biological Resources till 2023-24 vide letter dated 23rd March, 2021 and is hopeful to receive approval for Prior access of Biological Resources shortly. Any liability that may arise in excess of the amount deposited in this regard, shall be provided in the books as and when the said approval/order/ demand is received from the said authority.

(c) The Holding Company has received a notice from the Enforcement Directorate, FEMA Lucknow for investigation under the provisions of Foreign Exchange Management Act,1999 with respect to the Foreign Direct Investments(FDI) received during the Financial Year 2006-07 to Financial Year 2008-09. No liability is likely to arise in this regard as the Holding Company has satisfactorily replied against the said notice received from the said authority.

(All amounts in INR Million, unless otherwise stated)

B Capital and Other Commitments:

	As at 31 March 2024	As at 31 March 2023
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	1.23	88.26

(b) Lease Commitments:
The Group has entered into operating leases for its stores/retail outlets and office premises at various locations in and outside India. The lease commitments (Minimum Lease Payments) towards non cancellable leases is not applicable as the lease payments have been considered in lease liability as per Ind AS - 116.

38 Earnings per equity share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding 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 of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the year in respect of dilutive potential equity shares 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.

	For the year ended 31March 2024	For the year ended 31March 2023
Profit after tax from continuing operations attributable to equity holders of the Holding Company	(43.71)	(880.58)
Weighted average number of equity shares (Nos.)	82,702,497	82,702,497
Nominal value of equity shares	10	10
Earnings per equity share		
-Basic	(0.53)	(10.65)
-Diluted*	(0.53)	(10.65)
(Loss) after tax from discontinued operations attributable to equity holders of the Holding Company	-	(39.08)
Earnings / (Loss) per equity share		
-Basic	-	(0.47)
-Diluted*	-	(0.47)
Profit / (Loss) after tax from continuing and discontinued operations attributable to equity holders of the Holding	(43.71)	(919.66)
Earnings per equity share		
-Basic	(0.53)	(11.12)
-Diluted*	(0.53)	(11.12)

*Since potential equity share are anti dilutive, Diluted EPS have been taken as equal to Basic EPS

Weighted average number of equity shares for Diluted EPS		
Number of shares considered as weighted average shares outstanding for Basic EPS	82,702,497	82,702,497
Add: Effect of Stock Options Granted	-	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	82,702,497	82,702,497

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

39 Government grants
The Holding Company has recognised INR 11.04 million and INR 10.81 million for Duty Drawback / Export Incentives in the Consolidated Statement of Profit and Loss for the year ended 31 March 2024 and 31 March 2023 respectively . There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Consolidated Statement of Profit and loss.

(All amounts in INR Million, unless otherwise stated)

40 SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Board of Directors reviews the operating results of the Group. The Board of Director of the Holding Company has been considered as 'CODM' and reviews performance of the Organic Herbal products business on an overall basis. As the Group's activities fall within a single reportable segment being the core business segment i.e. Organic Herbal Products, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, the environment in which the Group operates within India and outside India is disclosed as follows:

a) Information about Geographical Segments:

As at 31 March 2024

Particulars	Organic Herbal Products		Total
	Business in India	Overseas Business	
Segment Revenue			
Sale of products:			
- External Sales	1,965.49	1,351.96	3,317.45
- Inter - Segment Sales	772.55	-	772.55
- Duty Drawback Received / Export Incentives	11.04	-	11.04
Gross Turnover	**2,749.08**	**1,351.96**	**4,101.04**
Inter - Segment Transfers	(772.55)	-	(772.55)
Net Turnover	**1,976.53**	**1,351.96**	**3,328.49**
Gain arising on termination of leases	0.79	-	0.79
Other Income	50.57	7.44	58.01
Net revenue from operations	**2,027.89**	**1,359.40**	**3,387.29**
Segment Result before interest & taxes	**91.28**	**59.94**	**151.22**
Interest on Term Loan	(1.09)	-	(1.09)
Interest on Overdraft	(83.17)	(21.69)	(104.86)
Interest on Security Deposit	(5.08)	-	(5.08)
Interest on Lease Liability	(5.71)	(1.56)	(7.27)
Others	(0.35)	(1.84)	(2.19)
Segment Result before taxes	**(4.12)**	**34.85**	**30.73**
Current Tax	-	(0.08)	(0.08)
Tax Paid for Earlier Years	-	(0.02)	(0.02)
Deferred Tax Income/(Expense)	(75.41)	-	(75.41)
Profit After Taxes	**(79.53)**	**34.75**	**(44.78)**
Segment Assets	2,999.82	559.11	3,558.93
Segment Liabilities	1,713.69	480.24	2,193.93
Depreciation/Amortization during the year	124.23	9.81	134.04
Capital Expenditures including during the year	345.42	42.52	387.94

(All amounts in INR Million, unless otherwise stated)

As at 31 March 2023

Particulars	Organic Herbal Products		Total
	Business in India	Overseas Business	
Segment Revenue			
Sale of products:			
- External Sales	1,812.04	1,141.12	2,953.16
- Inter - Segment Sales	572.76	-	572.76
- Duty Drawback Received / Export Incentives / Paycheck Protection Program Forgiveness	10.80	-	10.80
Gross Turnover	**2,395.60**	**1,141.12**	**3,536.72**
Inter - Segment Transfers	(572.76)	-	(572.76)
Net Turnover	**1,822.84**	**1,141.12**	**2,963.96**
Gain arising on termination of Leases	16.02	3.19	19.21
Other Income	72.07	0.88	72.95
Net revenue from operations	**1,910.93**	**1,145.19**	**3,056.12**
Segment Result before interest & taxes	**(492.59)**	**(424.79)**	**(917.38)**
Interest on Term Loan	(1.13)	-	(1.13)
Interest on Overdraft	(64.58)	(16.47)	(81.05)
Interest on Security Deposit	(3.62)	-	(3.62)
Interest on Lease Liability	(6.50)	(1.75)	(8.25)
Others	(0.34)	(1.42)	(1.76)
Segment Result before taxes	**(568.76)**	**(444.43)**	**(1,013.19)**
Current Tax	-	(0.06)	(0.06)
Tax Paid for Earlier Years	-	(0.22)	(0.22)
Deferred Tax Income/(Expense)	135.74	-	135.74
Profit After Taxes	**(433.02)**	**(444.71)**	**(877.73)**
Segment Assets	2,940.69	754.93	3,695.62
Segment Liabilities	1,487.99	634.45	2,122.45
Depreciation/Amortization during the year	137.12	14.88	152.00
Impairment during the year (refer note 50)	-	209.64	209.64
Capital Expenditures including during the year	134.50	24.22	158.72

(All amounts in INR Million, unless otherwise stated)

b) Entity wise disclosures are as under:

	31 March 2024	31 March 2023
Sale of Products		
- by the Holding Company	1,965.49	1,812.04
- by the Overseas Subsidiary	1,351.96	1,141.12
	3,317.45	2,953.16
Details of Non Current Asset		
- held with the Holding Company	1,518.82	1,780.76
- held with the Overseas Subsidiary	42.70	12.51
	1,561.52	1,793.27

c) Information about major customers

The Group did revenue from the following customer(s) which exceeded 10% of total revenue :-

Name of Customer	Share of Total Revenue (in percentage)	
	31 March 2024	31 March 2023
	-	-

(All amounts in INR Million, unless otherwise stated)

41 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

Financial instruments by category as at 31 March 2024

	As at 31 March 2024				
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Loans(Non -Current)	-	-	-	-	-
Other Financial Assets(Non -Current)	-	-	12.97	12.97	12.97
Trade receivables	-	-	283.85	283.85	283.85
Cash and Cash equivalents	-	-	51.73	51.73	51.73
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	8.79	8.79	8.79
Loans(Current)	-	-	13.83	13.83	13.83
Other Financial Assets (Current)	-	-	8.70	8.70	8.70
TOTAL	**-**	**-**	**379.87**	**379.87**	**379.87**
Financial liabilities					
Borrowings(Non -Current)	-	-	220.17	220.17	220.17
Lease liabilities (Non -Current)	-	-	66.49	66.49	66.49
Other Financial Liabilities(Non -Current)	-	-	31.55	31.55	31.55
Borrowings(Current)	-	-	1,119.46	1,119.46	1,119.46
Lease liabilities - Current	-	-	22.86	22.86	22.86
Trade payables	-	-	434.59	434.59	434.59
Other Financial Liabilities (Current)	1.98	-	123.27	125.25	125.25
TOTAL	**1.98**	**-**	**2,018.39**	**2,020.37**	**2,020.37**

Financial instruments by category as at 31 March 2023

	As at 31 March 2023				
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Loans(Non Current)	-	-	8.77	8.77	8.77
Other Financial Assets(Non Current)	-	-	15.23	15.23	15.23
Trade receivables	-	-	550.06	550.06	550.06
Cash and Cash equivalents	-	-	41.98	41.98	41.98
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	7.76	7.76	7.76
Loans(Current)	-	-	17.20	17.20	17.20
Other Financial Assets (Current)	-	-	12.61	12.61	12.61
TOTAL	**-**	**-**	**653.61**	**653.61**	**653.61**
Financial liabilities					
Borrowings(Non Current)	-	-	250.49	250.49	250.49
Lease liabilities - Non Current	-	-	54.80	54.80	54.80
Other Financial Liabilities(Non Current)	4.98	-	36.65	41.63	41.63
Borrowings(Current)	-	-	1,104.23	1,104.23	1,104.23
Lease liabilities - Current	-	-	19.14	19.14	19.14
Trade payables	-	-	359.18	359.18	359.18
Other Financial Liabilities (Current)	21.89	-	103.64	125.53	125.53
TOTAL	**26.87**	**-**	**1,928.12**	**1,955.00**	**1,955.00**

Trade receivables comprise amounts receivable from the sale of goods and services. The Management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Holding Company. The carrying amount of these assets approximates their fair value.

Loans (Non -Current) comprise of loan given to employees which have been discounted and the same approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.

(All amounts in INR Million, unless otherwise stated)

Borrowings comprises of loan from bank and other party and the fair value is considered to be same as the carrying value being at market rates.

Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.

For Investments in debt instruments recognised at amortised cost, the fair value is considered to be same as it is computed by considering the effective interest rate method at prevailing market rates of interest.

Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value as at 31 March 2024

	Measured at Fair Value through Profit and Loss			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments	-	-	-	-
Other Financial Asssets	-	-	-	-
	-	**-**	**-**	**-**
Financial Liabilities:				
Other Financial Liabilities	-	1.98	-	1.98
	-	**1.98**	**-**	**1.98**

Financial assets which are measured at amortised cost for which fair values are disclosed as at 31 March 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	13.83	13.83
Trade receivables	-	-	283.85	283.85
Cash and Cash equivalents	-	-	51.73	51.73
Bank balances other than above	-	-	8.79	8.79
Other Financial Assets	-	-	21.67	21.67
	-	**-**	**379.87**	**379.87**

Financial liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2024

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	1,339.63	1,339.63
Lease Liabilities	-	-	89.35	89.35
Trade payables	-	-	434.59	434.59
Other Financial Liabilities	-	1.98	154.82	156.80
	-	**1.98**	**2,018.39**	**2,020.37**

Financial assets and liabilities measured at fair value as at 31 March 2023

	Measured at Fair Value through Profit and Loss			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments	-	-	-	-
Other Financial Asssets	-	-	-	-
	-	**-**	**-**	**-**
Financial Liabilities:				
Other Financial Liabilities	-	26.87	-	26.87
	-	**26.87**	**-**	**26.87**

(All amounts in INR Million, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	25.97	25.97
Trade receivables	-	-	550.06	550.06
Cash and Cash equivalents	-	-	41.98	41.98
Bank balances other than above	-	-	7.76	7.76
Other Financial Assets	-	-	27.84	27.84
	-	**-**	**653.61**	**653.61**

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	1,354.72	1,354.72
Lease Liabilities	-	-	73.94	73.94
Trade payables	-	-	359.18	359.18
Other Financial Liabilities	-	26.87	140.29	167.16
	-	**26.87**	**1,928.13**	**1,955.00**

(ii) Measurement of fair values

The different levels of fair value have been defined below:
Level 1: This hierarchy includes financial instruments measured using quoted prices/net assets value in case of mutual funds.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There have been no transfers in either direction for the year ended 31 March 2024 and for the year ended 31 March 2023.

(iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis/net asset value method.

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and discussions of valuation processes and results are held between the CFO and the finance team annually. The company takes the help of independent valuers for valuation purposes, wherever needed.The fair valuation of swaps and options are based on valuations performed by an accredited external independent valuer. The valuer is a specialist in valuing these types of instruments. The valuation model used is in accordance with a method recommended by the International Valuation Standards.
The fair valuations of foreign currency option is determined based on the option pricing model (eg Black-Scholes model), and fair valuation of cross currency swap is determined based on the present value of the estimated future cash flows taking observable inputs for the valuations.

(iv) Significant unobservable Inputs:

The Independent valuer has made detailed study based on standards methodology for valuation and have not taken any significant unobservable inputs for valuation of options and swaps on reporting date.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Signicant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Optionally Convertible Debenture	Valuation of OCD is conducted based on the Probability-weighted Scenario Method, which assumes the following two Scenarios: 1. Redemption of NCD (Scenario - 1): (Weightage : 5%) The valuation in this scenario has been derived based on conversion of OCD into Non-Convertible Debentures ('NCD') and discounting of cash flows (DCF Method) to be arrived from redemption of NCD and cumulative interest as per the terms of the agreement and management expectation w.r.t redemption of NCD. The arrived cash flows from redemption is to be discounted at appropriate discount rate. 2. Conversion of OCD (Scenario - 2): (Weightage : 95%) The valuation in this scenario has been derived based on discounting Future Free Cash Flow to Firm (FCFF) and expected Terminal Value of Business after March 31, 2027 of the company based on the business projections. The arrived FCFE has been discounting at appropriate discount rate. Valuation of OCD is considered on 'going concern' basis in both of the scenario and the value arrived in each scenario is weighted according to expected probability/weight of a particular scenario as on valuation date to arrive fair value of OCD.	Key Inputs to Business Model: - Risk free rate : 7.04% - Equity risk premium : 9.02% - Size premium & Company specific risk premium : 6% - Cost of equity (Ke) / Discount Rate : 22.06%	(a). Risk free rates are referred from ZCYC spot rates (t = 40 Yrs.) at the valuation date. (b). Equity Risk Premium has been analysed based on the Historical BSE Sensex Return less R(f) estimated above. (c). Size premium has been kept at 200 basis points through analysing the company size and industry standards. Further, company specific risk premium is based on the risk profile of the company which has been analysed taking factors such as revenue growth, financial risk, operational risk, profitability, industry risk, economic risk and customer concentration into consideration. Appropriate weights are provided to each of the factors based on the valuer judgement and arrived at company specific risk premium to be 400 basis points. However, both size premium and company specific risk premium are subjective in assessment and are based on the individual valuer judgement analysing the risk associated with the asset under valuation

(All amounts in INR Million, unless otherwise stated)

42 Financial risk management

The Group has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. The risk management policies are established to identify and analyse the risk faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The Group's board oversees how management monitors compliance with Group's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risk faced by the Group.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, security deposits, trade receivables, financial assets measured at amortized cost.	Ageing analysis	Diversification of bank deposits, credit limits and credit worthiness
Liquidity Risk	All financial liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market Risk - Foreign Exchange	Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecast Sensitivity Analysis	Forward Contracts, Option Contracts/Derivatives and Cross Currency Swap

i. Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group’s maximum exposure to credit risk associated with the trade receivables, security deposits and other receivables.

Trade and other receivables
The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Wherever the Group assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of trade receivables from the date, credit was initially granted upto the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the management believes that there is no further credit provision required in excess of the allowance for doubtful debts. Management has assessed the advances and other receivables for impairment and has concluded that appropriate provision has been made for the doubtful advances and balance are fully recoverable in the normal course of business. The Group's experience of delinquencies and customer disputes have been minimal.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As at 31 March 2024	As at 31 March 2023
Trade receivables	501.81	687.09
Less: Allowance for expected credit loss	(217.96)	(137.03)
	283.85	**550.06**

Movement in the allowance for impairment in respect of trade and other receivables

	As at 31 March 2024	As at 31 March 2023
Opening Balance	137.03	51.55
Add: Allowance for trade receivables during the year	80.93	85.48
Closing Balance	**217.96**	**137.03**

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Group enters into the Derivative Contracts with the reputed Banks.

(All amounts in INR Million, unless otherwise stated)

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, availability of funding through an adequate amount of credit facilities to meet obigations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
Management monitors rolling forecasts of the Group's liquidity position i.e. cash and cash equivalents on the basis of expected cash flows. The monitoring includes financial ratios and takes into account the accessability of Cash and Cash Equivalents.

Maturities of financial liabilities
The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2024

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	434.59	-	-	434.59
Long term borrowings	31.31	220.17	-	251.48
Short term borrowings	1,088.15	-	-	1,088.15
Security deposits received	45.18	31.55	-	76.73
Forwards Contracts/Options and Swap Payables	1.98	-	-	1.98
Payable for capital goods	9.44	-	-	9.44
Lease Liability	29.48	64.14	18.28	111.90
Interest accrued but not due	5.58	-	-	5.58
Employee related payable	63.06	-	-	63.06
	1,708.77	**315.86**	**18.28**	**2,042.91**

As at 31 March 2023

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	359.18	-	-	359.18
Long term borrowings	12.89	250.49	-	263.38
Short term borrowings	1,091.34	-	-	1,091.34
Security deposits received	50.56	36.65	-	87.21
Forwards Contracts/Options and Swap Payables	21.89	4.98	-	26.87
Payable for capital goods	6.76	-	-	6.76
Lease Liability	24.32	48.02	22.63	94.97
Interest accrued but not due	4.21	-	-	4.21
Employee related payable	42.10	-	-	42.10
	1,613.25	**340.14**	**22.63**	**1,976.02**

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The Group's interest rate risks are covered by cross currency swaps. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

iv. Currency risk

The Group operates internationally and transacts in foreign currencies and consequently the Group is exposed to foreign exchange risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee.The Group's exposure in respect of foreign currency are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Group enters in to derivative financial instruments i.e. forward foreign exchange contracts and forward option contracts for foreign currency risk mitigation.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 is as below:

	As at 31 March 2024	As at 31 March 2024	As at 31 March 2024	As at 31 March 2024	As at 31 March 2024	As at 31 March 2024	As at 31 March 2024	As at 31 March 2024	As at 31 March 2024
	Amount in INR Million	USD	EURO	AUD	NZD	GBP	JPY	HKD	AED
Financial assets									
Trade Receivables	525.35	5,613,444	305,877	355,280	65,229	70,877	-	-	-
Advance to Supplier	10.93	112,819	11,980	8,209	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
	536.28	5,726,263	317,857	363,489	65,229	70,877	-	-	-
Financial liabilities									
Trade Payables	7.22	45,527	3,793	6,010	-	25,243	177,600	-	-
Advance from Customer	5.98	71,792	-	-	-	-	-	-	-
Short Term Borrowings	500.05	6,000,000	-	-	-	-	-	-	-
Long Term Borrowings	109.80	1,317,471	-	-	-	-	-	-	-
	623.05	7,434,790	3,793	6,010	-	25,243	177,600	-	-

	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023
	Amount in INR Million	USD	EURO	AUD	NZD	GBP	JPY	HKD	AED
Financial assets									
Trade Receivables	517.44	5,440,138	418,301	333,922	133,724	77,221	-	-	-
Advance to Supplier	9.51	114,083	565	1,500	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-
Others	1.64	-	18,315	-	-	-	-	-	-
	528.59	5,554,221	437,181	335,422	133,724	77,221	-	-	-
Financial liabilities									
Trade Payables	21.58	101,657	80,476	95,148	-	-	-	-	35,629
Advance from Customer	23.90	147,737	93,167	3,060	63,419	-	-	-	-
Short Term Borrowings	582.34	6,900,000	172,800	-	-	-	-	-	-
Long Term Borrowings	123.71	1,505,681	-	-	-	-	-	-	-
	751.53	8,655,075	346,443	98,208	63,419	-	-	-	35,629

The following significant exchange rates (in INR) have been applied during the year

	Year-end spot rate As at 31 March 2024	Year-end spot rate As at 31 March 2023
USD	83.34	82.16
EURO	89.95	89.37
AUD	54.32	55.03
NZD	49.84	51.47
GBP	105.21	101.61
JPY	0.56	0.62
AED	22.69	22.37

Sensitivity analysis

A reasonably possible strengthening / weakening of the respective foreign currencies with respect to the functional currency of Holding Company would result in increase or decrease in profit or loss and equity as shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in INR on 5% movement	Profit or loss before tax Strengthening	Weakening	Equity, net of tax Strengthening	Weakening
As at 31 March 2024				
USD	(7.12)	7.12	(5.33)	5.33
EURO	1.41	(1.41)	1.06	(1.06)
AUD	0.97	(0.97)	0.73	(0.73)
NZD	0.16	(0.16)	0.12	(0.12)
GBP	0.24	(0.24)	0.18	(0.18)
AED	-	-	-	-
	(4.34)	4.34	(3.24)	3.24

Effect in INR on 5% movement	Profit or loss before tax Strengthening	Weakening	Equity, net of tax Strengthening	Weakening
As at 31 March 2023				
USD	(12.74)	12.74	(9.53)	9.53
EURO	0.41	(0.41)	0.30	(0.30)
AUD	0.65	(0.65)	0.49	(0.49)
NZD	0.18	(0.18)	0.14	(0.14)
GBP	0.39	(0.39)	0.29	(0.29)
AED	(0.04)	0.04	(0.03)	0.03
	(11.15)	11.15	(8.34)	8.34

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate exposure

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Variable rate borrowings	1,197.95	1,215.05
Fixed rate borrowings	141.68	139.67
Total borrowings	**1,339.63**	**1,354.72**

Interest rate sensitivity analysis

Profit or loss and equity is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest rates increase by 0.5%	5.99	6.08
Interest rates decrease by 0.5%	(5.99)	(6.08)
Total borrowings	**-**	**-**

Derivative financial instruments

The Group holds derivative financial instruments such as cross currency swaps, foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details of outstanding cross currency swaps and foreign currency forward and options contracts as on 31 March 2024 and 31 March 2023:

Type of Derivative	As at 31 March 2024		As at 31 March 2023	
	Amount in Foreign Currency	Amount in INR Million	Amount in Foreign Currency	Amount in INR Million
Forward Contracts				
To Sell				
- In USD	2,200,600	182.38	10,457,600	1,195.28
- In Euros	-	-	-	-
	2,200,600	**182.38**	**10,457,600**	**1,195.28**
To Buy				
- In USD	-	-	-	-
	-	**-**	**-**	**-**

The table below analyzes the relevant maturity groupings of the forward exchange contracts based on the remaining period as at 31 March 2024 and as at 31 March 2023:

As at 31 March 2024

Particulars	Contracts to Sell			Contracts to Buy		
	In USD	In Euro	In INR Million	In USD	In Euro	In INR Million
Not later than one year	2,200,600	-	182.38	-	-	-
Later than one year but not later than two year	-	-	-	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	**2,200,600**	**-**	**182.38**	**-**	**-**	**-**

As at 31 March 2023

Particulars	Contracts to Sell			Contracts to Buy		
	In USD	In Euro	In INR Million	In USD	In Euro	In INR Million
Not later than one year	7,657,600	-	633.00	-	-	-
Later than one year but not later than two year	2,800,000	-	562.28	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	**10,457,600**	**-**	**1,195.28**	**-**	**-**	**-**

(All amounts in INR Million, unless otherwise stated)

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

Management of the Group has ensured that net worth of the Group has increased and profit from operations of the Group has been utilised further in the operations of the Group.

	As at 31 March 2024	As at 31 March 2023
Total Assets	3,558.93	3,695.62
Total Liabilities	2,193.93	2,122.45
Net Worth	**1,365.00**	**1,573.17**

The Group determines the amount of capital required on the basis of actual business plans coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.
No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024 and 31 March 2023.

The Group monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Group:

Capital	As at 31 March 2024	As at 31 March 2023
Long Term Borrowings	220.17	250.49
Short Term Borrowings	1,119.46	1,104.24
Total Debt	**1,339.63**	**1,354.73**
Equity Share Capital	827.02	827.02
Other Equity	537.98	588.67
Non Controlling Interest	-	157.48
Total Equity	**1,365.00**	**1,573.17**
Debt-Equity Ratio	**0.98**	**0.86**

*Lease liabilities recognised as per Ind AS 116 is not included in Total Debt

Dividends

Dividends not recognized at the end of the reporting year.

In addition to the above dividends, since year end the directors have not proposed any payment of a dividend for the year ended 31 March 2024 and 31 March 2023.

(All amounts in INR Million, unless otherwise stated)

44 RELATED PARTY DISCLOSURES

A Names of Related parties where control exists

Ultimate Holding Company
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)

Fellow Subsidiary Company
- M/s Fabcafe Foods Private Limited (ceased dated 27 October 2023)

Associate Company
- M/s Nutriwel Health (India) Private Limited (ceased dated 30 March 2024)

Key Management Personnel

Mr. Yoav Lev	Non - Executive Director (resigned w.e.f 16 Apr 2024)
Mr. Dinesh Kumar	Executive Director (resigned w.e.f 23 July 2022)
Mr. Vikram Singh	Non - Executive Director(resigned w.e.f 16 Apr 2024 and reappointed as Additional Director on same date))
Mr. Mukesh Kumar Chauhan	Executive Director (resigned w.e.f 16 Apr 2024)
Mrs. Elizabeth Nanda	Non - Executive Director(resigned w.e.f 16 Apr 2024)
Mr Subrata Dutta	Managing Director (resigned w.e.f 30 September 2022)
Mr. Pankaj Pachauri	Non - Executive Director(resigned w.e.f 16 Apr 2024)
Mr. Laurent Chappuis	Non - Executive Director of Holding Company and Subsidiary Company (resigned w.e.f 21 May 2023)
Mr. William Nanda Bissell	Executive Director (resigned w.e.f 16 Apr 2024 and reappointed as Additional Director on same date)
Mrs. Holly B Lev	Non - Executive Director(resigned w.e.f 16 Apr 2024)
Mr. Manoj Jaiswal	Non - Executive Director(resigned w.e.f 16 Apr 2024)
Mr. Rahul Garg	Non - Executive Director (w.e.f 21 June 2022, resigned w.e.f. 10 Feb 2023)
Mrs. Monsson Latane Bissell	Non - Executive Director of Holding Company and Subsidiary Company (resigned w.e.f 16 Apr 2024)
Mr. Richard Frank Celeste	Chairman of Subsidiary Company and Independent Non - Executive Director of Holding Company(resigned w.e.f 16 Apr 2024)
Dr. Alejandro Junger	Executive Director of Subsidiary Company
Ms. Dipali Patwa	Independent Non - Executive Director of Subsidiary Company (resigned w.e.f. 31 Dec 2022)
Ms. Pooja Kothari	Independent Non - Executive Director (resigned w.e.f 16 Apr 2024)
Ms. Katherine Allen	Director of Subsidiary Company (w.e.f. 01 Mar 2023 and resigned w.e.f 16 Apr 2024))
Mr. Varun Khandelwal	Director of Subsidiary Company (w.e.f. 01 Mar 2023 and resigned w.e.f 16 Apr 2024))
Mr. Balram Singh	Managing Director(resigned w.e.f 16 Apr 2024) and reappointed as Chief Executive Officer (w.e.f. 01 June 2024)
Mr. Vikash	Chief Financial Officer (resigned w.e.f. 14 April 2023)
Mr. Alok Kumar	Company Secretary
Mr. Miguel Gil	Chief Executive Officer of Subsidiary Company (resigned on 16 Jun 2022)
Mr. Sudhir Langer	Chief Executive Officer (w.e.f. 15 May 2023, resigned w.e.f 31 May 2024)
Mr. Vivek Rishi	Chief Financial Officer (w.e.f. 01 May 2023)
Mr. Sunil D Souza	Non - Executive Director (w.e.f 16 Apr 2024)
Mr. Puneet Das	Non - Executive Director (w.e.f 16 Apr 2024)
Mr. Abhijit Midha	Non - Executive Director (w.e.f 16 Apr 2024)
Mr. Narumanchi Venkata Sivakumar	Independent Director (w.e.f. 22 May 2024)
Ms. Rekha Bagry	Independent Director (w.e.f. 22 May 2024)

Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year
- M/s OI (India) Holding, LLC
- M/s LEV True Wellness Private Limited
- M/s Organic India Farmers Producer Company Limited
- M/s OI (US) Holdings, LLC
- M/s Organic India Foundation

B Summary of related party transactions

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		Total	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of Goods	114.06	122.32	-	2.07	-	-	-	-	114.06	124.39
Purchase of Raw Material	-	-	-	-	107.26	81.36	-	-	107.26	81.36
Interest Income	-	-	-	10.72	-	-	-	-	-	10.72
Directors Remuneration	-	-	-	-	-	-	71.86	71.84	71.86	71.84
Interest on ESPS Loan	-	-	-	-	-	-	0.20	1.59	0.20	1.59
Legal and Professional Expenses	-	-	-	-	-	-	3.00	3.00	3.00	3.00
Issue and Allotment of Equity Shares	-	-	-	-	-	-	-	0.01	-	0.01
Security Deposit Paid	(0.21)	0.61	-	-	-	-	-	-	(0.21)	0.61
Margin difference Claim	-	19.55	-	-	-	-	-	-	-	19.55
Rent	15.90	13.03	-	-	-	-	-	-	15.90	13.03
Reimbursement of IPO Expenses	-	16.31	-	0.08	-	-	-	-	-	16.39
Sale of Land	127.40	-	-	-	-	-	-	-	127.40	-
Sale of Investment	8.30	-	-	-	-	-	-	-	8.30	-
Reimbursement of Transaction Expenses	337.47	-	-	-	-	-	-	-	337.47	-
Reimbursement of Expenses	14.44	8.01	-	-	-	-	4.97	4.98	19.41	12.99
Freight Expenses	-	-	-	0.55	-	-	-	-	-	0.55
Travelling Expenses	-	-	-	-	-	-	1.79	1.21	1.79	1.21
Ex-gratia Payment	-	-	-	-	-	-	81.11	-	81.11	-
Business Support Expenditure	-	33.90	-	-	-	-	-	-	-	33.90
Corporate Social Responsibility Expenses	-	-	-	-	0.91	1.50	-	-	0.91	1.50
Loan repayment received during the year	-	-	-	-	-	-	0.27	0.97	0.27	0.97
Interest on Loan	-	-	-	-	5.63	5.46	-	-	5.63	5.46

Terms and conditions:

1. All transactions with these related parties are priced on an arm's length basis.
2. None of the balances outstanding are secured.
3. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Compensation of Key Management Personnel

The remuneration of director and other member of Key Management Personnel during the year was as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-Term Benefits	76.65	76.03
Share-Based Payments	-	0.03
Total	**76.65**	**76.06**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting year related to key management personnel.

(All amounts in INR Million, unless otherwise stated)

C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of Goods										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	114.06	122.32	-	-	-	-	-	-	114.06	122.32
- M/s Nutriwel Health (India) Private Limited	-	-	-	2.07	-	-	-	-	-	2.07
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	-	-	-	-	-	-
Purchase of Raw Material										
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	9.33	10.95	-	-	9.33	10.95
- M/s LEV True Wellness Private Limited	-	-	-	-	97.93	70.41	-	-	97.93	70.41
Interest Income										
- M/s Nutriwel Health (India) Private Limited	-	-	-	10.72	-	-	-	-	-	10.72
Directors Remuneration / Sitting Fees										
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	1.38	-	1.38
- Mr. Alok Kumar	-	-	-	-	-	-	3.03	2.70	3.03	2.70
- Mr. Vikash	-	-	-	-	-	-	0.27	7.71	0.27	7.71
- Mr. Vivek Rishi	-	-	-	-	-	-	5.48	-	5.48	-
- Mr. Subrata Dutta	-	-	-	-	-	-	-	16.00	-	16.00
- Mr. Balram Singh	-	-	-	-	-	-	14.38	4.33	14.38	4.33
- Mr. Sudhir Langer							19.87	-	19.87	-
- Mr. Laurent Chappuis	-	-	-	-	-	-	15.07	7.72	15.07	7.72
- Mrs. Holly B Lev	-	-	-	-	-	-	1.20	1.25	1.20	1.25
- Mr. Rahul Garg	-	-	-	-	-	-	-	1.54	-	1.54
- Mr. Richard Frank Celeste	-	-	-	-	-	-	4.18	2.69	4.18	2.69
- Mr. Monsson Latane Bissell	-	-	-	-	-	-	2.74	1.20	2.74	1.20
- Ms. Pooja Kothari	-	-	-	-	-	-	1.75	1.18	1.75	1.18
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	1.20	1.20	1.20	1.20
- Mr. Miguel Gil	-	-	-	-	-	-	-	20.44	-	20.44
- Ms. Katherine Allen	-	-	-	-	-	-	1.49	-	1.49	-
- Mr. Yoav Lev	-	-	-	-	-	-	1.20	1.30	1.20	1.30
- Ms. Dipali Patwa	-	-	-	-	-	-	-	1.20	-	1.20
Interest on ESPS Loan										
- Mr. Subrata Dutta	-	-	-	-	-	-	-	1.30	-	1.30
- Mr. Balram Singh							0.16	0.07	0.16	0.07
- Mr. Alok Kumar	-	-	-	-	-	-	0.04	0.03	0.04	0.03
- Mr. Vikash	-	-	-	-	-	-	0.01	0.19	0.01	0.19
Legal and Professional Expenses										
- Mr. Vikram Singh	-	-	-	-	-	-	1.80	1.80	1.80	1.80
- Mr. Pankaj Pachauri	-	-	-	-	-	-	1.20	1.20	1.20	1.20
Issue and Allotment of Equity Shares										
- Mr. Alok Kumar	-	-	-	-	-	-	-	0.01	-	0.01
Security Deposit Paid										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	(0.21)	0.61	-	-	-	-	-	-	(0.21)	0.61
Margin Differene Claim										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	-	19.55	-	-	-	-	-	-	-	19.55
Rent										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	15.90	13.03	-	-	-	-	-	-	15.90	13.03

(All amounts in INR Million, unless otherwise stated)

C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Reimbursement of IPO Expenses										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	-	16.31	-	-	-	-	-	-	-	16.31
- M/s Nutriwel Health (India) Private Limited	-	-	-	0.08	-	-	-	-	-	0.08
Sale of Land										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	127.40	-	-	-	-	-	-	-	127.40	-
Sale of Investment										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	8.30	-	-	-	-	-	-	-	8.30	-
Reimbursement of Transaction Expenses										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	337.47	-	-	-	-	-	-	-	337.47	-
Reimbursement of Expenses										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	14.44	8.01	-	-	-	-	-	-	14.44	8.01
- Mr. Alok Kumar	-	-	-	-	-	-	0.37	0.81	0.37	0.81
- Mr. Vikash	-	-	-	-	-	-	-	0.19	-	0.19
- Mr. Sudhir Langer							0.82	-	0.82	-
- Mr. William Nanda Bissell	-	-	-	-	-	-	-	0.40	-	0.40
- Mr. Mukesh Chauhan	-	-	-	-	-	-	-	0.24	-	0.24
- Ms. Katherine Allen	-	-	-	-	-	-	0.08	-	0.08	-
- Mr. Monsson Latane Bissell	-	-	-	-	-	-	0.06	-	0.06	-
- Mr. Richard Frank Celeste	-	-	-	-	-	-	0.04	-	0.04	-
- Mr. Laurent Chappuis	-	-	-	-	-	-	3.61	3.34	3.61	3.34
Freight Outward										
- M/s Nutriwel Health (India) Private Limited	-	-	-	0.55	-	-	-		-	0.55
Travelling Expenses										
- Mr. Subrata Dutta	-	-	-	-	-	-	-	1.08	-	1.08
- Mr. Alok Kumar	-	-	-	-	-	-	0.06	-	0.06	-
- Mr. Yoav Lev	-	-	-	-	-	-	0.90	-	0.90	-
- Mr. Balram Singh	-	-	-	-	-	-	0.14	0.13	0.14	0.13
- Mr. Sudhir Langer	-	-	-	-	-	-	0.47	-	0.47	-
- Mr. Vivek Rishi	-	-	-	-	-	-	0.23	-	0.23	-
Ex-gratia Payment										
- Mr. Balram Singh	-	-	-	-	-	-	19.76	-	19.76	-
- Mr. Sudhir Langer	-	-	-	-	-	-	21.65	-	21.65	-
- Mr. Vivek Rishi	-	-	-	-	-	-	11.27	-	11.27	-
- Mr. Laurent Chappuis	-	-	-	-	-	-	10.76	-	10.76	-
- Mr. Richard Frank Celeste	-	-	-	-	-	-	16.56	-	16.56	-
- Ms. Katherine Allen	-	-	-	-	-	-	1.12	-	1.12	-
Business Support Expenditure										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	-	33.90	-	-	-	-	-		-	33.90

(All amounts in INR Million, unless otherwise stated)

C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Corporate Social Responsibility Expenses - M/s Organic India Foundation	-	-	-	-	0.91	1.50	-		0.91	1.50
Loan repayment received during the year - Mr. Vikash	-	-	-	-	-	-	0.27	0.97	0.27	0.97
Interest On Loan - M/s OI (US) Holdings, LLC	-	-	-	-	5.63	5.46	-	-	5.63	5.46

(All amounts in INR Million, unless otherwise stated)

D Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Receivables										
- M/s Fabindia Limited ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	51.71	6.85	-	-	-	-	-	-	51.71	6.85
- M/s Fabindia Limited ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited) - (Security Deposit)	12.56	12.77	-	-	-	-	-	-	12.56	12.77
- M/s Fabindia Limited ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited) - (Transaction Expenses & Others)	463.60	-	-	-	-	-	-	-	463.60	-
- M/s Nutriwel Health (India) Private Limited - Debenture	-	-	-	119.09	-	-	-	-	-	119.09
- M/s Nutriwel Health (India) Private Limited - Trade Receivables	-	-	-	2.66	-	-	-	-	-	2.66
- M/s Nutriwel Health (India) Private Limited - Others	-	-	-	40.00	-	-	-	-	-	40.00
- M/s Organic India Farmers Producer Co.Limited	-	-	-	-	-	0.03	-	-	-	0.03
- Mr. Subrata Dutta (Loan)	-	-	-	-	-	-	-	15.76	-	15.76
- Mr. Balram Singh (Loan)							1.94	1.78	1.94	1.78
- Mr. Vikash (Loan)	-	-	-	-	-	-	-	2.52	-	2.52
-Mr. 'Alok Kumar (Loan)	-	-	-	-	-	-	0.44	0.40	0.44	0.40
Payables										
- M/s Fabindia Limited ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	13.53	5.99	-	-	-	-	-	-	13.53	5.99
- M/s LEV True Wellness Private Limited	-	-	-	-	0.17	-	-	-	0.17	-
- M/s Nutriwel Health (India) Private Limited	-	-	-	0.30	-	-	-	-	-	0.30
- Mr. Yoav Lev	-	-	-	-	-	-	0.26	0.30	0.26	0.30
- Mrs. Holly B Lev	-	-	-	-	-	-	0.26	0.30	0.26	0.30
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	0.27	0.27	0.27	0.27
-Mr. Alok Kumar	-	-	-	-	-	-	0.20	0.01	0.20	0.01
- Mr. Laurent Chappuis	-	-	-	-	-	-	13.82	0.21	13.82	0.21
- Mr. Rahul Garg	-	-	-	-	-	-	-	0.21	-	0.21
- Mr. Richard Frank Celeste	-	-	-	-	-	-	17.14	0.47	17.14	0.47
- Mr. Monsson Latane Bissell	-	-	-	-	-	-	0.32	0.27	0.32	0.27
- Ms. Pooja Kothari	-	-	-	-	-	-	0.50	0.36	0.50	0.36
- Mr. Vikram Singh	-	-	-	-	-	-	0.09	0.09	0.09	0.09
- Mr. Balram Singh	-	-	-	-	-	-	20.35	-	20.35	-
- Mr. Sudhir Langer	-	-	-	-	-	-	22.88	-	22.88	-
- Mr. Vivek Rishi	-	-	-	-	-	-	11.67	-	11.67	-
- Ms. Katherine Allen	-	-	-	-	-	-	1.13	-	1.13	-
- Mr. Pankaj Pachauri	-	-	-	-	-	-	0.27	0.27	0.27	0.27
- M/s OI (US) Holdings, LLC	-	-	-	-	145.93	142.46	-	-	145.93	142.46

(All amounts in INR Million, unless otherwise stated)

45 EMPLOYEE BENEFITS

The Group has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

-Provident fund/ Pension Scheme

The following amounts has been recognised as an expense in respect of the Holding Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under personnel expenses in the Consolidated Statement of Profit and Loss. The contribution payable to these plans by the Holding Company are at rates specified in the rules of the scheme.

Particulars	Amount
As at 31 March 2024	11.42
As at 31 March 2023	11.01

The Subsidiary Company, Organic India USA LLC sponsors a 401(k) profit-sharing plan available to defined eligible employees in which eligible participants are allowed to make contributions up to statutory limits. The Subsidiary Company makes a matching contributions equal to the participant's contribution up to 5 percent of the participant's compensation. Such amounts vest immediately. The SubsidiaryCompany has made matching contributions of INR 5.31 Million and INR 3.39 Million for the year ended 31 March 2024 and 31 March 2023 respectively.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(b) Defined benefit plans

-Contribution to Gratuity fund

The Holding Company has defined benefit gratuity plan(funded) wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Holding Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

-Compensated absences - Earned leave

Employees are eligible to encash unutilized earned leaves as follows. Encashment will be made on the basic salary.

State	No. of Leaves
Chattisgarh	90
Gujarat	63
Jammu & Kashmir	90
Madhya Pradesh	90
Other States	60

Actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate has been used in consultation with the Group.

Salary Growth Rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. The assumptions used are summarized in the following table:

Particulars	Gratuity (Funded)	
	As At 31 March 2024	As At 31 March 2023
Discount rate(per annum)	7.00%	7.15%
Future salary increase(per annum)	8.00%	8.00%
Expected rate of return on plan assets	7.00%	7.15%
In service mortality	IALM (2012-14)	IALM (2012-14)
Retirement Age	62 for one employee and 60 years for others	62 for one employee and 60 years for others
Withdrawal rates : Ages/ withdrawal rate	10.00%	10.00%

(All amounts in INR Million, unless otherwise stated)

Particulars	Gratuity (Funded)	
	As At 31 March 2024	As At 31 March 2023
1. Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	44.19	42.66
Interest Cost	2.98	2.74
Current Service Cost	5.63	5.54
Past Service Cost	-	-
Benefits Paid	(7.79)	(6.43)
Actuarial (gain)/loss on obligation	4.80	(0.32)
Defined Benefit Obligation at the end of the year	**49.81**	**44.19**
2. Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	35.46	32.90
Expected return on Plan Assets	2.54	2.29
Employer Contribution	18.82	7.22
Benefits Paid	(7.79)	(6.43)
Actuarial gain/(loss) on plan assets	(0.20)	(0.51)
Fair value of plan assets at the end of year	**48.83**	**35.46**
3. Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	48.83	35.46
Present value of Obligation	49.81	44.19
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(0.98)**	**(8.73)**
Less : Liability disposed on sale / classified as held for sale for discontinued operations	-	-
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(0.98)**	**(8.73)**
4. Expenses recognized in Statement of Profit and Loss		
Current service cost	5.63	5.54
Net Interest Cost	0.45	0.45
Past Service Cost	-	-
Net actuarial (gain)/loss recognized in the year	-	-
Net Cost	**6.08**	**5.99**
5. Expenses recognized in Other Comprehensive Income		
Actuarial (gain)/loss for the year on Obligation	4.80	(0.32)
Actuarial (gain)/loss for the year on Plan Assets	0.20	0.51
Net (Income)/Expense in OCI	**5.00**	**0.19**

6. Major categories of Plan Assets (as percentage of total Plan Assets):

Particulars	Gratuity (Funded)	
	As At 31 March 2024	As At 31 March 2023
Life Insurance Corporation	100.00%	100.00%
Total	**100.00%**	**100.00%**

7. Sensitivity Analysis of the Defined Benefit Obligation:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting year , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31 March 2024 Increase by 0.50%	As at 31 March 2024 Decrease by 0.50%	As at 31 March 2023 Increase by 0.50%	As at 31 March 2023 Decrease by 0.50%
Impact of the change in Discount Rate (0.50% movement)	(47.06)	50.32	(42.79)	45.67
Impact of the change in Salary Increase Rate (0.50% movement)	50.10	(47.24)	45.44	(42.91)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

(All amounts in INR Million, unless otherwise stated)

8. Expected contribution for the next Annual reporting period:

Particulars	As At 31 March 2024	As At 31 March 2023
	Gratuity	Gratuity
a) Service Cost	6.93	5.63
b) Net Interest Cost	(0.27)	0.45
c) Expected Expense for the next annual reporting period	6.66	6.08

9. Maturity Profile of Defined Benefit Obligation:

Year	As At 31 March 2024	As At 31 March 2023
	Gratuity	Gratuity
0 to 1 Year	6.43	4.91
1 to 2 Year	4.23	5.91
2 to 3 Year	5.12	3.96
3 to 4 Year	4.90	4.62
4 to 5 Year	4.84	4.81
5 to 6 Year	4.49	4.11
6 Year onwards	56.27	50.05

10. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Group is exposed to various risks as follow -

A). Salary Increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B). Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C). Discount Rate - Reduction in discount rate in subsequent valuations can increase the Plan's liability.

D). Mortality & Disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E). Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(All amounts in INR Million, unless otherwise stated)

46 Organic India USA, LLC 2020 Employee Equity Bonus Plan

During the year ended 31 March 2021, the members of the Organic India USA LLC, Subsidiary Company has approved the Organic India USA, LLC 2020 Employee Equity Bonus Plan (the Plan). The Plan permits the granting of awards to employees of the Subsidiary Company as designated by the Board of Directors who are either in a management position or higher, or who have been employed by the Subsidiary Company for at least 12 consecutive months. As defined in the Plan document, an award shall mean the granting of shares, or non-voting units of the Holding Company, as further defined in the Company's Operating Agreement. The shares shall generally vest in five tranches every 18 months, commencing on the vesting commencement date, subject to the fulfillment of certain applicable performance milestone requirements,as further set forth in the award agreements and Plan document.

The Board of Directors of the Subsidiary Company, Organic India USA LLC in their meeting held on 27 April 2022 had accorded their approval to amend the 2020 Employee Equity Bonus Plan by way of amendments to the Restricted Stock Award Plan, Stock Award Agreement, Loan Agreement and also accorded their approval to vest 451 RSA (Tranche 1) for the FY 21 to the certain eligible employees. The amendment to the Plan provided an option to the employee to transfer the vested RSA back to the Company at a price of US $ 452.35 per unit. On account of shortfall in achievement of the milestone valuation for the FY 22 & 23, the Tranche 2 & 3 of the Plan were not vested to any employee and forfeited by the Subsidiary Company.

The Board of Directors of the Subsidiary Company in their meeting held on 10 July 2023:

- Authorized the Company to purchase all of the 1st Tranche vested restricted stock held by current employees and service providers at a price of US $ 452.35
- Forgive interest on Loan for purchase of RSA by few employees (Joshua Ornstein and Kat Wiranowski) due to unforeseen circumstances.
- the Forfeiture of RSA for Tranche 2 & 3 – milestone valuation not met at a price of US $ 272.33 per unit
- repurchase remaining unvested RSA for Tranche 4 & 5 at a price of US $ 272.33 per unit
- Termination of the Plan

Therefore, the Subsidiary Company had created the liability equivalent to actual payout i.e. USD 73,040 grouped under other current financial liability during the previous year

Information in respect of the Employee Stock Options granted upto 31 March 2023 under the Plan:

Scheme	Year	Date of Grant	Tranches	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (USD) per share	Fair Value of option on Grant Date
2020 Employee Equity Bonus Plan	2020-21	11/26/2020	I	451.00	9/30/2021	30 days from the date of Vesting	272.33	278.07
			II	-	3/30/2023	30 days from the date of Vesting	272.33	-
			III	-	9/30/2024	30 days from the date of Vesting	272.33	-
			IV	678.00	3/30/2026	30 days from the date of Vesting	272.33	282.53
			V	678.00	9/30/2027	30 days from the date of Vesting	272.33	288.96

a) Movement in Employee Stock Options during the year :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Options	Weighted average exercise price(in USD)	Number of Options	Weighted average exercise price(in USD)
Outstanding at the beginning of the year	678.00	272.33	5,197.00	272.33
Forfeited during the year	678.00	-	3,641.00	-
Outstanding at the end of the year	-	-	1,556.00	272.33
Exercisable at the end of the year	-	-	678.00	272.33

b) Fair Value on the Grant Date:

The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share and the risk free interest rate for the term of the option.

The significant assumptions used to ascertain fair value of each Option in accordance with Black Scholes model:

	FY 2022-23				
	Tranche				
Particulars	I	II	III	IV	V
Risk-free Interest Rate	0.11%	0.17%	0.30%	0.39%	0.65%
Expected Life of Option (in years)	0.85	2.34	3.85	5.34	6.84
Volatility of Underlying Stock	12.50%	12.50%	12.50%	12.50%	12.50%

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the US Treasury Market rates derived from the website of US Department of Treasury.

c) The effect of share-based payment plan on the Consolidated Financial Statements:

	Amount	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Expense arising from employee share-based payment plan	-	-
Liability arising from employee share-based payment plan	-	-

(All amounts in INR Million, unless otherwise stated)

47 EMPLOYEE SHARE PURCHASE SCHEME

The members of the Holding Company approved Organic India Private Limited Employee Share Purchase Scheme 2021 (Scheme) in their meeting held on December 10, 2020. The Scheme provides for issue of equity shares of the Holding Company to the eligible employees, including Directors of the Holding Company and the employees and directors of its Subsidiary Companies and Holding Company, as determined by the Remuneration & Compensation Committee of the Board of Directors from time to time, in accordance with Applicable Laws, subject to terms and conditions as specified in the ESPS Agreement and the Scheme.

The implementation of the scheme is done through Organic India Employees Welfare Trust" (Trust), a registered trust. As per the Scheme, the select employees shall be allowed to purchase the Holding Company's equity shares on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. The equity shares shall be eligible for purchase based on the eligibility criteria of respective eligible employee where certain percentage of equity shares shall be unlocked as determined by the Remuneration and Compensation Committee of the Holding Company. The equity shares so purchased shall be under the lock-in period as per the scheme and would be released to the eligible employee upon meeting the performance and other conditions as set forth. During the lock-in period, the employee will remain to be the beneficial owner of the equity shares and the legal ownership will be transferred to the Trust till the completion of the condition subsequent set out in the ESPS Agreement.

The Scheme provides for allotment of a maximum of 4% of the paid up equity share capital of the Holding Company on fully diluted basis i.e. a maximum of 33,41,304 Equity Shares can be allotted in one or multiple tranches.

Movement of equity shares allotted under Employee Share Purchase Scheme during the year:

During the period under review, the members of the Nomination and Remuneration Committee of the Holding Company have not released any shares to be vested to the employees of the Holding Company. However, consequent to the signing of SPA with TCPL, the Holding Company was required to terminate the ESPS scheme, amend the Trust Deed. The Board of Directors in their meeting held on 30 March 2024 have approved the termination of Organic India Employees Share Purchase Scheme, amend the ESPS Trust Deed. The Trust has obtained the beneficial ownership for 7,39,363 Equity Shares held under lock-in from the respective employees of the Holding Company on 03 April 2024 upon payment of Rs. 130/- per share to respective employee. 2,57,591 number of shares held by the employees of the Holding Company who have resigned from the services of the Holding Company have been reverted back to the Trust.

a) **Movement of Equity Shares allotted to the Trust and transferred by Trust to eligible employees as on 31 March 2024 & 31 March 2023:**

Particulars	Trust Number of Shares As at 31 March 2024	Trust Number of Shares As at 31 March 2023
Opening at the beginning of the year	1,429,442	89,550
Add : Equity Shares Allotted to trust by the Holding Company during the year	-	-
Add : Equity Shares transferred by employees to trust on termination	257,591	1,367,642
Less: Equity Shares transferred to the eligible employee by the Trust during the year	-	(27,750)
Outstanding at the end of the year	**1,687,033**	**1,429,442**

The previous year number of shares transferred / vested by the Holding Company are adjusted to represent the correct number of shares transferred from Trust where the shares were initially released (150) but were not able to be transferred to respective beneficiary due to certain technical issues with their demat account.

b) **Details of Equity Shares allocated to the eligible employees and are held under lock-in period by Trust, for the benefit of employees under the Scheme, as on 31 March 2024 & 31 March 2023:**

Particulars	Trust Number of Shares As at 31 March 2024	Trust Number of Shares As at 31 March 2023
Opening balance at the beginning of the year	996,992	2,393,147
Add: Equity Shares Allotted during the year	-	-
Less: Equity Shares transferred by employees to trust on termination	(257,591)	(1,367,642)
Less: Equity Shares unlocked during the year	-	(28,513)
Total balance at the end of the year	**739,401**	**996,992**

The previous year number of shares transferred / vested by the Holding Company are adjusted to represent the correct number of shares transferred from Trust where the shares were initially released (38) but were not able to be transferred to respective beneficiary due to certain technical issues with their demat account.

c) **Details of Equity Shares allocated to the eligible employees, for the benefit of employees under the Scheme, as on 31 March 2024 & 31 March 2023:**

Particulars	Number of Shares As at 31 March 2024	Number of Shares As at 31 March 2023
Opening balance at the beginning of the year	27,750	-
Add: Equity Shares Allotted during the year	-	27,750
Add: Equity Shares unlocked during the year	-	-
Total balance at the end of the year	27,750	27,750

d) The effect of share-based payment plan on the Financial Statements:

	Amount For the year ended 31 March 2024	Amount For the year ended 31 March 2023
Expense arising from employee share-based payment plan	-	1.58
Deferred Expense arising from employee share-based payment plan	-	27.91

(All amounts in INR Million, unless otherwise stated)

48 Discontinued operations

The Subsidiary Company, Organic India USA LLC (OIUSA) had invested US$ 2,750,275 equivalent to INR 184.05 million as on 25 April 2018 in the Clean Program Corp (CPC) and acquired 50.01%. During previous years, due to reformulation of the product there was a serious out of stock position and CPC was not able to cater to the existing customers and therefore lost its hold on the supplement market. Both internal and external disruptions impacted the business adversely and therefore the Board of Directors of the Holding Company in their meeting held on 19 January 2023 accorded their in principle approval to sale the investment in CPC on account of no operations.

OIUSA entered into a Secondary Stock Purchase Agreement dated 06 June 2023 for transfer of 50.01% stake represented by 10,002 shares of CPC to its initial owner Dr. Alejendro Junger for a total consideration of US $ 100,000 equivalent to INR 8.32 million thereby incurring a loss of US $ 2,650,275 equivalent to INR 220.45 million as on 31 March 2023. OIUSA also entered into a Registered User Agreement with CPC dated 06 June 2023 granting OI USA, the exclusive, transferable, sub-licensable and perpetual right to use IPRs of CLEAN in India for manufacturing, marketing, distribution and sale of existing range of 'CLEAN' products in India for a consideration of US$ 100. Accordingly, all the assets and the liabilities of the said subsidiary have been disclosed under "Assets classified as held for sale and discontinued operations" / "Liabilities directly associated with assets classified as held for sale and discontinued operations" in the Consolidated Balance Sheet in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations'.

Financial performance and cash flows of CPC, the step-down Subsidiary Company is as below:
(i) Analysis of profit / (loss) from discontinued operations

Particulars	For the period ended 06 June 2023	For the year ended 31 March 2023
Profit / (loss) for the year from discontinued operations		
Revenue From Operations	30.18	279.68
Other Income	-	2.15
Total Income	**30.18**	**281.83**
Purchase Of Traded Goods	5.88	47.97
Change In Inventories	4.32	(3.15)
Employee Benefits Expense	13.48	99.00
Finance Cost	-	0.08
Depreciation And Amortisation Expense	2.80	24.39
Other Expenses	5.83	162.25
Total Expenses	**32.31**	**330.54**
(Loss) Before Tax from Discontinued Operations	**(2.13)**	**(48.69)**
Tax Expense:		
Current tax	-	(0.17)
Adjustment in respect to previous year tax	-	1.11
Deferred tax	-	8.68
(Loss) for the Year from Discontinued Operations	**(2.13)**	**(39.08)**
Total Comprehensive Income For The Year from Discontinued Operations		
Net cash (outflows) / inflows from operating activities	0.18	4.14
Net cash used in investing activities	-	(6.31)
Net cash (outflows) / inflows from financing activities	-	(7.50)
Net cash (outflows) / inflows	**0.18**	**(9.67)**

(All amounts in INR Million, unless otherwise stated)

(iii) Book value of assets and liabilities of discontinued operations

Details of Assets Held for Sale of Discontinued Operations	**As at 06 June 2023**	**As at 31 March 2023**
Non Current Assets		
Property, Plant And Equipment	0.58	0.68
Intangible Assets	82.64	84.15
Right Of Use Assets	-	-
Financial Assets	-	-
Loans	-	-
Deferred Tax Assets (Net)	-	-
Other Non-Current Assets	-	-
Current Assets		
Financial Assets		
Trade Receivables	0.48	0.48
Cash And Cash Equivalents	27.12	26.56
Inventories	83.56	49.69
Current Tax Assets (Net)	-	-
Other Current Assets	17.35	18.02
Total Assets	**211.73**	**179.58**
Details of Liabilities directly associated with the Discontinued Operations		
Non-Current Liabilities		
Borrowings	-	-
Other Financial Liabilities	-	-
Deferred Tax Liabilities (Net)	-	-
Provisions	-	-
Current Liabilities		
Trade Payables	114.21	36.97
Other Financial Liabilities	0.09	0.09
Other Current Liabilities	0.95	0.94
Total Liabilities	**115.25**	**38.00**
Net Assets	**96.48**	**141.58**

(All amounts in INR Million, unless otherwise stated)

49 Additional information, as required under Schedule III to the Companies Act, 2013, in respect of enterprises consolidated.

As at 31 March 2024

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or (loss)		Share in Other Comprehensive Income / (loss)		Share in Total Comprehensive Income / (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Organic India Private Limited	103.88	1,417.88	44.54	(19.94)	100.00	(3.92)	49.00	(23.86)
Subsidiaries								
Foreign								
- Organic India USA LLC	(3.88)	(52.88)	53.08	(23.77)	-	-	48.81	(23.77)
- The Clean Program Corp.	-	-	-	-	-	-	-	-
Non Controlling Interest	-	-	2.38	(1.07)	-	-	2.19	(1.07)
Associates								
- Nutriwel Health (India) Private Limited	-	-	-	-	-	-	-	-
Total	**100.00**	**1,365.00**	**100.00**	**(44.78)**	**100.00**	**(3.92)**	**100.00**	**(48.70)**

As at 31 March 2023

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or (loss)		Share in Other Comprehensive Income / (loss)		Share in Total Comprehensive Income / (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Organic India Private Limited	87.04	1,369.25	44.42	(407.16)	99.05	15.92	43.44	(391.24)
Subsidiaries								
Foreign								
- Organic India USA LLC	(5.12)	(80.53)	47.13	(432.10)	-	-	47.97	(432.10)
- The Clean Program Corp.	9.00	141.65	4.26	(39.08)	-	-	4.34	(39.08)
Non Controlling Interest	10.01	157.47	3.95	(36.23)	-	-	4.02	(36.23)
Associates								
- Nutriwel Health (India)	(0.93)	(14.67)	0.24	(2.24)	0.95	0.15	0.23	(2.09)
Total	**100.00**	**1,573.17**	**100.00**	**(916.81)**	**100.00**	**16.07**	**100.00**	**(900.74)**

(All amounts in INR Million, unless otherwise stated)

50 Impairment

a) During the period under review, the Board of Directors of the Holding Company in their meeting held on 08 March 2024 have approved the sale of investment in 2,328 Equity Shares and 9% 11,908,623 Optionally Convertible Debentures of Rs.10 each of Nutriwel (Health) India Private Limited at a consolidated price of INR 0.2 million and sale of investment in 6% 5,687,538 Optionally Convertible Debentures of Composite Interceptive Med-Science Laboratories Private Limited at a consolidated price of INR 8.3 million to the Ultimate Holding Company, based on independent valuer's report. The Holding Company had already provided for both the investments in the books of accounts during the previous financial years and accordingly provision amounting to INR 248.81 million has been written back in the current year.

b) In respect of the assets at the subsidiary, the impairment testing is based on the realizable value of underlying assets as reviewed and tested at the level of the Board of Directors at the subsidiary and as confirmed by the Board of Directors of the subsidiary. Accordingly, the Wholly Owned Overseas Subsidiary Company had recognized during the previous year provision for impairment amounting to INR 209.64 Million on Goodwill arisen on consolidation of its subsidiary in accordance with Indian Accounting Standard (Ind AS) 36 on Ïmpairment of Assets".

51 Due to Micro, Small And Medium enterprises as defined under the MSMED Act, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Principal amount due to micro and small enterprises *	25.05	31.99
b) Interest due on above	-	-
c) Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day	- -	- -
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the MSMED Act, 2006.	- -	- -
e) Amount of interest accrued and remaining unpaid	-	-
* refer note 25		

52 Non Current Assets Held for Sale

During the FY 21-22, the Board of Directors of the Company had approved an agreement to sell its entire Land held at Chinhat, Lucknow for INR 111.10 Million, which has however been cancelled. Further, the Company still has the intent to sell the land and is exploring other alternative deals and hence, the Company has classified the said Land amounting to INR 148.93 million as assets held for sale and have stated it at INR 111.10 Million being the lower of carrying amount and estimated fair value of the said investment less costs to sell. During the period under review the Board of Directors of Fabindia Limited have approved to purchase the Land & Building held at Chinhat, Lucknow at a consolidated price of INR 127.4 million and the Board of Directors of the Company in their meeting held on 8th March 2024 have approved the sale of said property to Fabindia Limited basis the recommendations received by the Audit Committee. The Agreement to sell has been executed on March 30, 2024.

53 The Holding Company, being a subsidiary of Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited), became a "Deemed Public Limited Company" with effect from 22 October 2021 invoking applicability of Section 197 of the Companies Act, 2013 (‘the Act”). The managerial remuneration paid / payable to directors of the Holding Company up to the period 31 March 2023 has been approved by the Board of Directors and further approved by the shareholders in the annual general meeting of shareholders held on 21 November 2023.

54 Sale of Shares to Tata Consumer Products Limited :

The Holding Company along with Fabindia Limited has entered into a Share Purchase Agreement (SPA) on 12 January 2024 with Tata Consumer Products Limited (TCPL) for acquisition of upto 100% of the shareholding of the Company. Consequently, as per the terms of the SPA, Fabindia Limited was to acquire shares from all other major shareholders entities along with individual shareholders and transfer them to TCPL as a single transaction. Accordingly, TCPL has acquirred 99.99% of the equity shares of the Company, thereby the Holding Company became a subsidiary of a listed entity on 16 April 2024.

(All amounts in INR Million, unless otherwise stated)

55 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Holding Company as per the Act. The CSR committee of the Holding Company provides an oversight of CSR policy execution to ensure that CSR objectives of the Holding Company are met.

The financial details as sought by the Act are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Average net profits of the Holding Company for last three financial years	24.86	69.67
Amount required to be spent by the Holding	0.50	1.39
Amount of expenditure incurred	0.91	1.50
Shortfall	-	-
Total of previous years shortfall	-	-
Reason for Shortfall	NA	NA
Nature of CSR Activities	Promoting health care including preventive health care, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	Promoting health care including preventive health care, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
Amount spent to Related Party		
- Organic India Foundation	0.91	1.50

(All amounts in INR Million, unless otherwise stated)

56 Other Notes :

(a) The Holding Company had entered into agreement to sell certain land for INR 33.12 Million to Ganga Yamuna Agro Technologies and Plantation Private Limited ("the Purchaser") (the Company in which director was interested) in the financial year 2012-13. Consequently, the purchaser had expressed its inability to pay the sale consideration and nominated to sell the said property to another entity M/s. Lev True Wellness Private Limited(LTW). In discharge of the terms of the Agreement and subsequent request letter from the Purchaser the said parcel of land had been sold to LTW on 26 Nov 2021.

In terms of the demerger order dated 07 April 2014 of the High Court, the Holding Company was directed to transfer the land at Survey no. 698 & 699 Nellapalli Nellore, Chittoor to Lev True Wellness Private Limited which is still not completed as on the date of this Balance Sheet.

(b) The Group has not been declared a wilful defaulter by any banks or financial institutions. Further, the Group has not defaulted in meeting its payment/ repayment obligations.

(c) The Group has filed the quarterly statements of the current assets with the banks which are in agreement with the books of accounts, except for inventories where amount reported is at cost (excluding fixed and variable overheads).

(d) The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28 September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.
The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(e) No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(f) 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 Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(g) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(h) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(i) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

(j) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(k) The Group does not have any undisclosed income which is not recorded in the books of account 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.

(l) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(m) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Holding Company.

(n) The Group does not have any approved schemes of arrangements during the current and previous year.

(o) The Holding Company has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the associate enterprises for the financial year ended 31 March 2024 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management of the Holding Company confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended 31 March 2023 has been obtained and there are no adverse comments requiring adjustments.

(p) The Group evaluated all the events or transactions that occurred after the balance sheet up to the date of adoption of accounts and further, as per the management there is no event occurred which can impact the financials for the year ended 31 March 2024.

(q) Disclosure required under Section 186 (4) of The Companies Act, 2013:

Name of the Investee	Nature of Transaction	31 March 2024		31 March 2023	
		During the Year	Outstanding Balance	During the Year	Outstanding Balance
Associates					
Nutriwel Health (India) Private Limited	Investment in Optional Convertible Debentures	(194.76)	-	-	194.76
Others					
Composite Interceptive Med-Science Laboratories Private Limited	Investment in Optional Convertible Debentures	(52.51)	-	-	52.51

(All amounts in INR Million, unless otherwise stated)

57 Following are the reclassifications made in the previous year figures to make them comparable/ better presentation with the current year figures:

Particulars	31 March 2023 (Revised)	31 March 2023 (Published)	Amount Reclassified	Nature
ASSETS				
CURRENT ASSETS				
Trade Receivable	550.06	587.52	(37.46)	Reclassification items
OTHER CURRENT ASSETS				
Advance to Supplier				
- Considered Good	24.94	26.01	(1.07)	Reclassification items
LIABILITIES				
CURRENT LIABILITIES				
Trade Payables				
Total Outstanding Dues Of Creditors Other Than Micro Enterprises And Small Enterprises	327.18	365.71	(38.53)	Reclassification items
INCOME				
Revenue from Operations	2963.96	3243.91	(279.95)	Reclassification items
EXPENSES				
Other expenses	2016.69	2296.64	(279.95)	Reclassification items

"Signatures to Notes 1 to 57"

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Nipun Gupta
Partner
Membership Number: 502896
Place: Gurugram
Date: June 18, 2024

Vikram Singh
Director
DIN: 07153318
Place: New Delhi
Date: June 18, 2024

Abhijit Midha
Director
Din: 10481897
Place: New Delhi
Date: June 18, 2024

Balram Singh
Chief Executive Officer
-
Place: New Delhi
Date: June 18, 2024

Alok Kumar
Company Secretary
M.NO-A26369
Place: New Delhi
Date: June 18, 2024

Vivek Rishi
Group Chief Financial Officer

Place: New Delhi
Date: June 18, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Organic India Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Organic India Private Limited** (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), its associate, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of report of other auditor of associate on separate financial statements and on the other financial information of subsidiary and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules,2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at March 31, 2023, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of one step-down subsidiary, whose financial statements reflect total assets of INR 211.86 million as at March 31, 2023, total revenues of INR 279.68 million and net cash flows amounting to INR (9.67) million for the year ended on that date which has been prepared by the Management of the Holding Company, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including total other comprehensive income) of INR 2.09 million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid step-down subsidiary and associate, is based solely on the report of the other auditor.

b. The Consolidated Financial statement include the consolidated Financial Statement of "Organic India USA", LLC (comprising of Organic India USA", LLC and Clean Program Corp- hereinafter referred to as the 'Consolidated US Entities'), which states that the consolidated US Entities have incurred losses during the year ended March 31, 2023 amounting to INR 586.95 million and has accumulated losses amounting to INR 773.60 million as on that date, which has fully eroded net worth. Further, the current liabilities of the Consolidated US Entities exceed its current assets by INR 20.81 million as at March 31, 2023. These conditions indicate the existence of material uncertainty that may cast doubt about the Consolidated US Entities ability to continue as a going concern. However, the Consolidated US Entities has received a support letter from its Holding Company confirming to provide necessary financial and operational support for at least next twelve months from the date of signing of the Special Purpose Consolidated Financial Statements. In view of the above, the Special Purpose Consolidated Financial Statements of the Consolidated US Entities have been prepared on a going concern basis.

c. The consolidated financial statements of the Company for the year ended March 31, 2022, were audited by another auditor whose report dated June 21,2022 expressed an unmodified opinion on those statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor of associate and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule,2014 as amended.

e. On the basis of the written representations received from the directors of the Group as on March 31, 2023 taken on record by the Board of Directors of the Group and the report of the statutory auditor of its associate company incorporated in India, none of the directors of the Group companies, its associate company in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

g. 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:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate refer note 37 to the consolidated financial statements.

ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate company incorporated in India.

iv.

(1) The respective Managements of the Group and its associate company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor associate company respectively that, to the best of their knowledge and belief, 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 Group and its associate company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Group and its associate company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such associate company respectively that, to the best of their knowledge and belief, no funds have been received by the Group and its associate company from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Group and its associate 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 on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the associate company which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors’ notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies and associate company incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Group and its associate as it is a private Company. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditor of the associate in the Companies (Auditor’s Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	Nutriwel Health (India) Private Limited	U85190DL2009PTC188895	Associate Company	Vii(b)

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Monish Sharma
Partner
Membership No.505381
UDIN: 23505381BGXUUT4553
Place: Gurugram
Date: October 16, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ORGANIC INDIA PRIVATE LIMITED

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Monish Sharma
Partner
Membership No.505381
UDIN: 23505381BGXUUT4553

Place: Gurugram
Date: October 16, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ORGANIC INDIA PRIVATE LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Organic India Private Limited** on the consolidated Financial Statements for the year ended March 31, 2023]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of **Organic India Private Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate company, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Group and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies 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 ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Group and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Group and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to subsidiaries & associate company, which are companies incorporated in India, is based on the corresponding report of the auditor of such companies incorporated in India.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Monish Sharma
Partner
Membership No.505381
UDIN: 23505381BGXUUT4553
Place: Gurugram
Date: October 16, 2023

Organic India Private Limited
Consolidated Balance Sheet
As At 31 March 2023
(All amounts in INR million, unless otherwise stated)

Particulars	Notes	As At 31 March 2023	As At 31 March 2022
Assets			
Non-Current Assets			
Property, Plant and Equipment	3a	742.70	839.92
Capital work-in-progress	3a	89.31	1.77
Goodwill on consolidation	3b	381.70	537.22
Intangible Assets	3b	29.35	114.25
Intangible Assets Under Development	3b	-	17.44
Right Of Use Assets	3c	143.57	278.66
Financial Assets			
Investment	4	-	187.21
Loans	5	8.77	29.11
Other Financial Assets	6	15.23	23.36
Non - Current Income Tax Assets	7	179.60	128.57
Deferred Tax Assets (Net)	8	189.87	50.17
Other Non-Current Assets	9	37.35	51.91
Total Non-Current Assets		**1,817.45**	**2,259.59**
Current Assets			
Inventories	10	610.26	794.42
Financial Assets			
Trade Receivables	11	587.52	789.97
Cash And Cash Equivalents	12	41.98	86.88
Bank Balances Other Than Cash And Cash Equivalents	13	7.76	3.47
Loans	14	17.20	24.40
Other Financial Assets	15	12.61	26.77
Other Current Assets	16	348.69	406.79
Total Current Assets		**1,626.02**	**2,132.70**
Assets Classified As Held For Sale	52	111.10	111.10
Discontinued Operations	48	179.58	-
Total Assets		**3,734.15**	**4,503.39**
Equity And Liabilities			
Equity			
Equity Share Capital	17	827.02	827.02
Other Equity	18	588.68	1,504.86
Non Controlling Interest		157.47	179.17
Total Equity		**1,573.17**	**2,511.05**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	19	250.49	128.61
Lease Liabilities	20	54.80	181.87
Other Financial Liabilities	21	41.63	39.63
Provisions	22	12.94	30.26
Total Non- Current Liabilities		**359.86**	**380.37**
Current Liabilities			
Financial Liabilities			
Borrowings	23	1,104.23	822.97
Lease Liabilities	24	19.14	38.54
Trade Payables	25		
Total Outstanding Dues Of Micro Enterprises And Small Enterprises		31.99	62.83
Total Outstanding Dues Of Creditors Other Than Micro Enterprises And Small Enterprises		365.71	522.90
Other Financial Liabilities	26	125.53	115.85
Other Current Liabilities	27	95.09	46.60
Provisions	28	21.43	2.28
Total Current Liabilities		**1,763.12**	**1,611.97**
Liabilities Directly Associated With Discontinued Operations	48	38.00	-
Total Equity And Liabilities		**3,734.15**	**4,503.39**
Summary of Significant Accounting Policies	1 & 2		
Contingent Liabilities And Commitments	37		
The accompanying notes form an integral part of the Consolidated Financial Statements	3-54		

"As per our report of even date"

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Monish Sharma
(Partner)
Membership Number: 505381
Place: Gurugram
Date: October 16, 2023

Vikram Singh
(Director)
DIN: 07153318
Place: New Delhi
Date: October 15, 2023

Balram Singh
(Managing Director)
DIN: 06673673
Place: New Delhi
Date: October 15, 2023

Alok Kumar
M.NO-A26369
(Company Secretary)
Place: New Delhi
Date: October 15, 2023

Vivek Rishi
(Group CFO)
Place: New Delhi
Date: October 15, 2023

Organic India Private Limited
Consolidated Statement Of Profit & Loss
For The Year Ended 31 March 2023
(All amounts in INR million, unless otherwise stated)

Particulars	Notes	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
Income			
Revenue From Operations	29	3,243.91	3,618.26
Other Income	30	92.16	65.25
Total Income		**3,336.07**	**3,683.51**
Expenses			
Cost Of Materials Consumed	31	837.92	867.16
Cost of Contract Manufactured and Traded Goods		334.44	346.75
(Increase) / Decrease In Inventories Of Finished Goods And Work In Progress	32	68.55	(31.99)
Employee Benefits Expense	33	561.66	648.42
Finance Costs	34	95.81	84.68
Depreciation And Amortisation Expense	3a, 3b & 3c	152.00	174.50
Other Expenses	35	2,296.64	1,479.85
Total Expenses		**4,347.02**	**3,569.37**
(Loss) / Profit from Continuing Operations before share of accumulated profit/(loss) In Associate Companies, Exceptional Items And Tax		**(1,010.95)**	**114.14**
Share of accumulated (loss) In Associate Companies		(2.24)	(3.60)
(Loss) / Profit From Continuing Operations Before Exceptional Items And Tax Expense		**(1,013.19)**	**110.54**
Exceptional Items			
Impairement loss on asset held as classified for sale		-	37.83
(Loss) / Profit from Continuing Operations before tax expense		**(1,013.19)**	**72.71**
Tax Expense:	36		
Current Tax		(0.06)	(49.85)
Earlier Years Tax		(0.22)	0.20
Deferred Tax Asset Created		135.74	42.18
(Loss) / Profit for the year from Continuing Operations		**(877.73)**	**65.24**
Discontinued Operations	48		
(Loss) Before Tax From Discontinued Operations		(48.69)	(80.94)
Tax Expense Of Discontinued Operations		9.61	32.84
(Loss) After Tax From Discontinued Operations		(39.08)	(48.10)
(Loss) / Profit For The Year		**(916.81)**	**17.14**
Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit or Loss			
Actuarial Gain/(Loss) On Defined Benefit Obligation		(0.19)	0.22
Income Tax relating to items that will not be reclassified to Profit or Loss		0.05	(0.05)
Share Of Other Comprehensive Income /(Loss) From Associates		0.15	0.26
Items that will be reclassified from Statement of Profit or Loss			-
Foreign Currency Translation Differences		20.82	5.43
Income Tax relating to items that will be reclassified from Profit Or Loss		(4.76)	(1.26)
Share Of Other Comprehensive Income /(Loss) From Associates		-	-
Total Other Comprehensive Income for the year		16.07	4.60
Total Comprehensive (Loss) / Income for the year		**(900.74)**	**21.74**
(Loss) / year for the year attributable to:			
Owners of the Parent		(880.58)	56.89
Non-Controlling Interests		(36.23)	(39.75)
Other Comprehensive Income / (Loss) attributable to:			
Owners Of The Parent		16.07	4.59
Non-Controlling Interests		-	-
Total Comprehensive (Loss) / Income attributable to:			
Owners Of The Parent		(864.51)	61.48
Non-Controlling Interests		(36.23)	(39.75)
(Loss) / Earnings Per Equity Share - Continuing Operations	38		
Basic		(10.65)	0.79
Diluted		(10.65)	0.79
(Loss) Per Equity Share - Discontinued Operations			
Basic		(0.47)	(0.10)
Diluted		(0.47)	(0.10)
(Loss) / Earnings Per Equity Share - Continuing And Discontinued Operations			
Basic		(11.12)	0.69
Diluted		(11.12)	0.69
Summary of Significant Accounting Policies	1 & 2		
The accompanying notes form an integral part of the Consolidated Financial Statements	3-54		

"As per our report of even date"

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Monish Sharma
(Partner)
Membership Number: 505381
Place: Gurugram
Date: October 16, 2023

Vikram Singh
(Director)
DIN: 07153318
Place: New Delhi
Date: October 15, 2023

Balram Singh
(Managing Director)
DIN: 06673673
Place: New Delhi
Date: October 15, 2023

Alok Kumar
M.NO-A26369
(Company Secretary)
Place: New Delhi
Date: October 15, 2023

Vivek Rishi
(Group CFO)
Place: New Delhi
Date: October 15, 2023

Organic India Private Limited
Consolidated Cash Flow Statement
For The Year Ended 31 March 2023
(All amounts in INR million, unless otherwise stated)

	Particulars	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
A.	**Cash flow from operating activities**		
	Net profit/(loss) before tax and after exceptional items from continuing operations	(1,013.19)	72.71
	Net (loss) before tax and after exceptional items from discontinuing operations	-	(80.94)
	Adjustments for non-cash items:		
	Depreciation and amortisation	152.00	205.94
	Employee Stock Option Compensation Expense	-	21.44
	Employee Share Purchase Compensation Expense	1.58	0.57
	Loss on Asset Classified as held for Sale	-	37.83
	(Profit) / Loss on Sale Of Property, Plant & Equipments	2.35	-
	Interest expense	87.56	68.48
	Interest expense on lease liability	8.25	16.89
	Interest income	(19.14)	(22.99)
	Gain arising on disposal of Right of Use Assets	(19.21)	(3.78)
	Loss on sale of Govt Scrips	0.80	3.21
	Obsolete Stock written off	57.37	4.43
	Bad debts / advances written off	32.72	18.36
	Excess Provision Written Back	(22.55)	(3.77)
	Provision for non moving of inventory	38.41	8.84
	Provision for Impairment of investments	197.84	5.56
	Provision for Impairment of goodwill	209.64	47.96
	Loss/(gain) arising on Derivatives measured at FVTPL	26.30	(13.91)
	Net (Gain)/ Loss arising on financial assets measured at FVTPL	-	46.67
	Share of accumulated profit / (loss) in associate company	2.24	3.60
	Provision/ Liability no longer required written back	-	(8.44)
	Provision for doubtful debts and advance created/ (written back)	114.38	(0.92)
	Provision for Sales Tax Form Written Back	(0.14)	-
	Provision for asset retirement obligation written back	(0.26)	(0.23)
	Provision for gratuity & leave encashment	1.36	2.42
	Provision for guarantee expenses	6.23	-
	Operating profit before working capital changes	**(135.46)**	**429.93**
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	17.17	(182.68)
	(Increase)/decrease in inventories	47.53	(72.65)
	(Increase)/decrease in loans	(4.99)	8.28
	(Increase)/decrease in other assets	8.44	(13.75)
	Increase/(decrease) in trade payables	(191.95)	218.40
	Increase/(decrease) in financial liabilities	(11.83)	7.15
	Increase/(decrease) in other liabilities	72.40	(31.99)
	Effect of Foreign Exchange Translation (Other than Fixed Assets)	(4.62)	(5.26)
	Cash generated from/(used in) operations	**(203.32)**	**357.43**
	Income tax paid (net of refund received)	(27.35)	(35.01)
	Prior period expenses	-	-
	Net cash from/(used in) operating activities - conitinuing operations	**(230.67)**	**322.42**
	Net cash from/(used in) operating activities - disconitinuing operations	4.14	-
	Net cash from/(used in) operating activities - total	**(226.53)**	**322.42**
B.	**Cash flow from investing activities**		
	Purchase of Property, Plant & Equipment (including capital work- in- progress)	(112.03)	(65.47)
	Proceeds from sale of Property, Plant & Equipment (including insurance claim rec.)	0.21	1.09
	Proceeds from sale of non-current investments (Disposal of subsidiary)	-	-
	Proceeds from bank deposits (with original maturity over 3 months)	(4.00)	19.67
	Proceeds from / (Investment in) bank deposits (with original maturity over 12 months)	3.97	(4.06)
	Interest received (revenue)	5.10	5.87
	Net cash from/(used in) investing activities - conitnuing operations	**(106.75)**	**(42.90)**
	Net cash from/(used in) investing activities - disconitnuing operations	(6.31)	**-**
	Net cash from/(used in) investing activities - total	**(113.06)**	**(42.90)**
C.	**Cash flow from financing activities**		
	Proceeds/ (Repayment) of short-term borrowings	402.31	4.07
	Repayment of long-term borrowings	7.14	(201.78)
	Proceeds From Issue Of Shares (Including Share Premium)	0.28	0.29
	Principal Portion of Lease Liability Paid	(23.71)	(44.61)
	Interest Portion of Lease Liability paid	(8.25)	(16.89)
	Interest paid	(85.22)	(69.61)
	Net cash from/(used in) financing activities - continuing activities	**292.55**	**(328.53)**
	Net cash from/(used in) financing activities - discontinuing activities	(7.50)	**-**
	Net cash from/(used in) financing activities - total	**285.05**	**(328.53)**
	Net increase/(decrease) in cash & cash equivalents	**(54.54)**	**(49.01)**
	Cash & cash equivalents at the beginning of the year	53.26	102.27
	Less : Cash & cash equivalents at the beginning of the year related to discontinued operations	33.57	-
	Cash & cash equivalents at year end	41.96	53.26
	Net increase/(decrease) in cash & cash equivalents - continuing operations	**(44.87)**	**(49.01)**
	Net increase/(decrease) in cash & cash equivalents - discontinuing operations	**(9.67)**	**-**
	Net increase/(decrease) in cash & cash equivalents	**(54.54)**	**(49.01)**

Organic India Private Limited
Consolidated Cash Flow Statement
For The Year Ended 31 March 2023
(All amounts in INR million, unless otherwise stated)

Particulars	For The Year Ended 31 March	For The Year Ended 31

NOTES:

1 The above cash flow statement has been prepared under the "Indirect method" set out in the IND AS-3 on Statement of Cash Flows.
2 Figures in bracket indicate cash outflow.
3 Cash and cash equivalents at the end of the year consist of the following:

	As At 31 March 2023	As At 31 March 2022
Cash on hand	0.82	0.17
Cheque in hand	0.68	-
Balance with banks		
- in current accounts	40.11	86.71
Deposits with maturity of less than three months	0.35	-
Bank overdrafts used for cash management purpose	-	(33.61)
Total cash and cash equivalents	**41.96**	**53.27**

Changes in liabilities arising from financing activities (read with Statement of Cash Flows):

Particulars	As on April 1, 2022	Proceeds	Repayment	Non-cash change	As on March 31, 2023
Short Term Borrowings	706.39	5,892.90	(5,524.21)	16.26	1,091.33
Long Term Borrowings	245.18	-	7.14	11.06	263.38
Lease Liability	220.42	-	(31.97)	(114.51)	73.94
Total	**1,171.99**	**5,892.90**	**(5,549.03)**	**(87.19)**	**1,428.66**

Particulars	As on April 1, 2021	Proceeds	Repayment	Non-cash change	As on March 31, 2022
Short Term Borrowings	746.27	6,224.19	(6,264.07)	-	706.39
Long Term Borrowings	442.84	-	(201.78)	4.12	245.18
Lease Liability	212.12	-	(61.49)	69.79	220.42
Total	**1,401.23**	**6,224.19**	**(6,527.34)**	**73.91**	**1,171.99**

Summary of Significant Accounting Policies	1 & 2
The accompanying notes form an integral part of the Consolidated Financial Statements	3 - 54

As Per Our Report Of Even Date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Monish Sharma
Partner
Membership Number: 505381
Place: Gurugram
Date: October 16, 2023

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DIN: 07153318
Place: New Delhi
Date: October 15, 2023

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Date: October 15, 2023

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M.NO-A26369
(Company Secretary)
Place: New Delhi
Date: October 15, 2023

Vivek Rishi
(Group CFO)
Place: New Delhi
Date: October 15, 2023

Organic India Private Limited
Consolidated Statement Of Changes In Equity
For The Year Ended 31 March 2023
(All amounts in INR million, unless otherwise stated)

Statement Of Changes In Equity

A. Equity Share Capital

Particulars	Note	As At 31 March 2023	As At 31 March 2022
Balance at the beginning of the reporting year	17	827.02	827.02
Changes in Equity Share Capital due to prior reporting errors		-	-
Restated Balance as at 1st April, 2021		827.02	827.02
Changes in equity share capital during the year		-	-
Balance at the end of the reporting year		827.02	827.02

B. Other Equity

Particulars	Reserves & Surplus						Other Comprehensive Income	Attributable to the owners of the parent	Non Controlling Interest	Total
	Securities Premium	General Reserve	Stock Option Outstanding	Treasury Shares	Remeasurements of the net defined benefit Plans (Net of tax)	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at 1 April, 2021	250.82	16.57	26.24	(0.42)	0.55	1,070.51	59.45	1,423.72	212.46	1,636.18
Profit for the year	-	-	-	-	-	56.89	-	56.89	(39.75)	17.14
Addition on account of Equity Shares transferred by employees to trust on termination	-	-	-	(0.76)	-	-	-	(0.76)	-	(0.76)
Addition on account of issue of equity shares under Employees Share Purchase Scheme	(1.34)	-	-	0.28	-	-	-	(1.06)	-	(1.06)
Employee Stock Options Compensation (Refer Note No. 46)	-	-	19.89	-	-	-	-	19.89	-	19.89
Addition on account of cancellation of options		1.57						1.57	-	1.57
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	0.44	-	-	0.44	-	0.44
Other Comprehensive Income*	-	-	-	-	-	-	4.17	4.17	6.44	10.61
Total Comprehensive Income for the year	(1.34)	1.57	19.89	(0.48)	0.44	56.89	4.17	81.14	(33.30)	47.84
Dividends (including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2022	249.48	18.14	46.13	(0.90)	0.99	1,127.40	63.62	1,504.86	179.16	1,684.02
Profit for the year	-	-	-	-	-	(880.58)	-	(880.58)	(36.23)	(916.81)
Addition on account of Equity Shares transferred by employees to trust on termination	-	-	-	(13.67)	-	(37.52)	-	(51.19)	-	(51.19)
Addition on account of issue of equity shares under Employees Share Purchase Scheme	-	-	-	0.27	-	-	-	0.27	-	0.27
Employee Stock Options Compensation (Refer Note No. 46)	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve on cancellation of options issues under Employees Stock Option Plan	-	-	(46.13)	-	-	-	-	(46.13)	-	(46.13)
Addition on account of cancellation of options		45.37						45.37		45.37
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	0.01	-	-	0.01	-	0.01
Other Comprehensive Income*	-	-	-	-	-	-	16.06	16.06	14.53	30.59
Total Comprehensive Income for the year	-	45.37	(46.13)	(13.40)	0.01	(918.10)	16.06	(916.19)	(21.69)	(937.88)
Dividends (including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2023	249.48	63.51	0.00	(14.30)	1.00	209.30	79.68	588.67	157.48	746.14

Notes
* Other Comprehensive income for the Non Controlling represents the exchange translation of the amount of Non Controlling Interest based on the consolidated financial statements of Organic India USA LLC with its subsidiary Clean Program Corp.

Summary of Significant Accounting Policies 1 & 2
The accompanying notes form an integral part of the Consolidated Financial Statements 3 - 54

As Per Our Report Of Even Date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

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M.NO-A26369
(Company Secretary)
Place: New Delhi
Date: October 15, 2023

Vivek Rishi
(Group CFO)
Place: New Delhi
Date: October 15, 2023

1. Company Overview

ORGANIC INDIA PRIVATE LIMITED ('the Holding Company') domiciled in India was incorporated under the provisions of the Companies Act, 1956, on 17th February, 1997. The Holding Company, its subsidiaries and its associates are jointly referred to as "the Group".

The Holding Company is engaged in the business of processing, manufacturing and marketing of certified organic Tulsi herbal infusions, herbal supplements, Ayurvedic medicines and other organic food products and spices.

The Subsidiary/Associate considered in these consolidated financial statements are as below: -

a) Organic India USA LLC, a wholly owned subsidiary company domiciled in United States of America which is engaged in the marketing and the trading of the organic products.

b) The Clean Program Corp, a subsidiary company of Organic India USA, LLC domiciled in United States of America. Organic India USA, LLC owns 50.01% of its voting power as on 31st March 2023 which is engaged in manufacturing (through co-manufacturers) and sells supplements and protein shakes direct-to-consumer through its website.

c) Nutriwel Health (India) Private Limited, deemed associate domiciled in India. The Holding Company owns 11% of its voting power as on 31st March, 2023. The associate is engaged in the business of general medical consultancy aimed at weight loss, enhancement of health and fitness status, general wellbeing and improving the quality of life of individuals.

These consolidated financial statements for the year ended 31st March, 2023 prepared for consolidation in to the Holding Company's accounts were approved and authorized for issue by the Holding Company's Board of Directors on 15th October, 2023.

The Holding Company, being a subsidiary of Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited), the Ultimate Holding Company, is deemed to be a public company with effect from 22nd October, 2021 for purposes of the Companies Act, 2013, in terms of Section 2(71) thereof, even though the Holding Company continues to be a private company in its articles of association.

2. Basis for Preparation, Measurement and Significant Accounting Policies

A. Basis of preparation of financial statements and Statement of Compliance

These consolidated financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified).The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

a. Defined benefit pension plans – plan assets measured at fair value.

b. Land and buildings classified as property, plant and equipment.
c. Contingent Consideration
d. Leasehold land classified as right-of-use asset.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Millions up to two decimal as per the requirement of Schedule III, unless otherwise stated.

B. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

C. Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS-110) –Consolidated Financial Statements" and Indian Accounting Standard 28 (Ind AS-28) – "Investment in Associates and Joint Ventures". These consolidated financial statements comprise the standalone financial statements of Holding Company and the following subsidiaries: -

Name of the Company	Country of Incorporation	Holding (%)	
		31st March, 2023	31st March, 2022
Organic India USA LLC	USA	100.00%	100.00%
The Clean Program Corp (Subsidiary through Organic India USA, LLC i.e. 100% of 50.01%)	USA	50.01%	50.01%
Composite Interceptive Med-Science Laboratories Private Limited*	India	Nil	Nil

*Considered as a Discontinued operation as per Ind AS-105 as the said investment has been held for sale in pursuance of the agreement entered by the Holding Company on 12th March, 2020 for sale of the entire shareholding held in the subsidiary and the said sale has been executed on 4th April, 2020.

and the following associates:

Name of the Company	Country of Incorporation	Holding (%)	
		31st March, 2023	31st March, 2022
Nutriwel Health (India) Private Limited *	India	11.00%	11.00%

*Deemed Associate by way of exercising of significant influence through representation of one third of voting power on the board of Nutriwel Health (India) Private Limited.

Control is achieved when the Holding Company is exposed to or has right to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The result of the subsidiaries and associates acquired or disposed off during the year are included in the consolidated financial statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

The consolidated financial statements have been prepared on the following basis:

- the standalone financial statements of the Holding Company, consolidated financial statements of Organic India USA, LLC, its wholly owned foreign subsidiary, have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.

- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

- These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

- Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest on non-controlling shareholders may be initially measure either at fair value or at the non-controlling interests proportionate share of the net value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if it results in the non-controlling interest having a deficit balance.

- Associates are those enterprises over which the Group has significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

- When the Group's share of losses exceeds the carrying value of the associate, the carrying value of its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate) is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

D. Business Combination

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognized in the Consolidated Statement of Profit and Loss.

Goodwill arising on acquisition is recognized as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. If the net fair value of the identifiable assets and liabilities, exceed the cost of acquisition, the excess is recognized as Capital reserve on consolidation.

E. Critical accounting judgements and key source of estimation uncertainty

The preparation of these consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Employee Benefits:
Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 45.

(ii) Taxes on Income

Income Tax:
Tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Group adjusts taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the year in which they are agreed or on final closure of assessment.

Deferred Tax:
Deferred Tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised and are reviewed at each reporting date and reduced to the extent it is no longer probable that related tax benefit will be realised.

(iii) Assets retirement obligation (ARO):

The liability for assets retirement obligation are recognized when the Group has obligation to perform store/shop restoration activity. The recognition and measurement of ARO involves the use of estimates and assumptions which includes the timing of handing over the licensed premises which would depend upon the lease period, the carpet area and pre-tax rate applied for discounting.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

(v) Depreciation/ amortization/impairment, useful lives and residual value of Property, Plant and Equipment/ Intangible Assets:

Property, Plant and Equipment / Intangible Assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future years is revised if there are significant changes from previous estimates.

(vi) Provisions:

Provisions and liabilities are recognized in the year when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(vii) Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

(viii) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared as a global pandemic by the World Health Organization with adverse impact on economy and businesses. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states/countries followed by the lockdowns from time to time to stem the spread of COVID-19. Due to this the operations of the Group got disrupted from time to time.

In light of these circumstances, the Group has considered the possible impact that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information and based on current estimates the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

F. Current vs Non-current Classification

The Group presents assets and liabilities in the Consolidated 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 year,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

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 year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

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

G. Significant Accounting Policies

(a). Property, Plant and Equipment

(i) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, interest cost up to the date of construction, expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. The cost amount and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Consolidated Statement of Profit and Loss. Repairs and maintenance costs are charged to the Consolidated Statement of Profit and Loss when incurred.

(ii) The Group has adopted component accounting, wherever applicable, and identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over the lower of the useful life of the component and that of the principal asset; the remaining asset is depreciated over the life of the principal asset.

(iii) Depreciation is recognized on a Straight-line basis over the useful life as specified under Schedule II of the Act, as given below except for leasehold improvements being considered as part of building and depreciated over the period of 30 years as leases will be renewed and kept for longer period.

Particulars	Useful Life
Factory Buildings	30 Years
Building other than factory buildings	60 Years
Leasehold Improvements other than those considered as part of building	Over the period of lease
Furniture & Fixtures	10 Years
Plant and Equipments	3 Years to 15 Years
Office Equipment's	5 Years
Electrical Installation and Equipment (Including air conditioner and cooling equipments)	10 Years
Vehicle	8 Years
Computers	3 Years

Double shift Depreciation is provided for the eligible assets as per Schedule II of the Act wherever applicable.

(iv) The residual value of all depreciable assets, being negligible, is estimated at Nil.

(v) Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for perpetuity. The Holding Company has depreciated its leasehold property over the Lease period of 90 years.

(vi) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(vii) Cost of Property, Plant and Equipment not ready for intended use on the date of Consolidated Balance Sheet are disclosed as “Capital Work- in- Progress”.

(viii) The present value of the expected cost for the de-commissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions and provisions for further information about the recorded asset retirement obligation.

(b). Intangible Assets

(i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the Group and cost of the asset can be measured reliably in accordance with the notified Ind AS– 38 on “Intangible Assets”.

(ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

(iii) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(iv) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

Particulars	Useful Life
Computer Software	5 Years
Trade Mark (Except for Patents which has been taken as infinite)	10 Years

(c). Impairment of Non-Financial Assets

The Group 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 Group 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. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(d). Right of Use Asset (ROU)/Leases

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on the lease liability and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Consolidated Statement of Profit and Loss.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the ROU asset. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term.

(e). Financial Instruments

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

(i) Financial Assets

Financial assets include investments, trade receivables, advances other than trade and capital related, security deposits and cash and cash equivalents.

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Consolidated Statement of Profit and Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the Consolidated Balance Sheet at fair value with net changes in fair value recognised in the Consolidated Statement of Profit and Loss .

Derecognition

A financial asset is primarily derecognised when:

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

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

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

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

(ii) Financial Liabilities

Financial liabilities primarily comprise of borrowings, trade payables and deposits.

Initial Recognition and Measurement

At initial recognition all financial liabilities are recognized at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognized in the Consolidated Statement of Profit and Loss as finance cost.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at amortised cost

Financial liabilities are carried at amortized cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

For trade and other payables maturing within one year from the Consolidated Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Treasury Shares

The Holding Company has created an Organic India Employees Welfare Trust (trust) for the administration of providing share-based payment to its employees, and thus the trust has been treated as its extension (branch) and accordingly, all the assets and liabilities of the trust are accounted as assets and liability of the Holding Company after eliminating the treasury shares of the Holding Company held by ESOP Trust on the basis that the Trust is merely acting as an agent of the Holding Company.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the standalone statement of profit and loss on the purchase, sale, issue or cancellation of the Holding Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in general reserve. Share options exercised during the year are satisfied with treasury shares.

(iv) Derecognition of Financial Instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109 "Financial Instruments".

A financial liability (or a part of a financial liability) is derecognized from the Group's Consolidated Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss except in case where Holding and subsidiary relationship exists, where it is adjusted against equity or in the Consolidated Statement of Profit and Loss proportionately based on the initial recognition of the said liability.

(v) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(f). Inventories

Inventories (including stock-in-transit) are stated at lower of cost being ascertained on weighted average cost basis and net realizable value. Cost of finished goods includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Work-in-Progress is valued at cost based on stage completion.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

Goods-in-transit are valued at cost comprising material cost and other direct overheads incurred till reporting date.

Abnormal amount of wasted materials is excluded from the cost of inventories and recognized as expenses.

No valuation is done for damaged stock since its realizable value, if any, is negligible.

In the consolidated financial statements, unrealized profits on the inventories lying with the subsidiaries and associates has been adjusted.

An inventory provision is recognized for cases where the realizable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete/ slow-moving inventory items.

(g). Foreign Currencies Transactions and Translations

The functional currency of the Holding Company is the Indian Rupee. These consolidated financial statements are presented in Indian Rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Consolidated Balance Sheet date. The gains and losses resulting from such translations are included in net profit in the Consolidated Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Consolidated Statement of Profit or Loss are also recognized in Other Comprehensive Income or Consolidated Statement of Profit or Loss, respectively).

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled.

Translation of financial statements of foreign entities:

On consolidation, the assets and liabilities of foreign operations are translated into ` (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in the the Consolidated Statement of Profit and Loss as other comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the Consolidated Statement of Profit and Loss .

(h). Revenue form Contracts with Customers

i) Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. The company accounts for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the company. If consideration payable to a customer is a payment for a distinct good or service from the customer, then the company accounts for the purchase of the good or service in the same way that it accounts for other purchases from suppliers. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from Sale of Products or Services are recognised at a point of time on which the performance obligation is satisfied.

ii) Insurance claims/Government Claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the Insurance Companies/Government Authorities.

iii) Dividend income from investments is recognized when the Group's right to receive payment is established.

iv) Interest income is accounted for by using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets. When calculating the effective interest rate, the Group estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

v) Interest on Income tax refunds have been provided to the extent the same have been processed and admitted by the concerned authorities and received during the year.

(i). Government Grants

Grants received from Government are recognised when there is a reasonable assurance that the grant will be received upon by the Group complying with the conditions attached to the grant.

Accordingly, government grants:
(a). related to or used for assets, are deducted from the carrying amount of the asset.
(b). related to incurring specific expenditures are taken to the Consolidated Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
©. by way of financial assistance on the basis of certain qualifying criteria arecognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Consolidated Statement of Profit and Loss except in case of grant related to assets shall be recognized by increasing the carrying amount of the asset and cumulative depreciation that should have been recognized in the Consolidated Statement of Profit and Loss to date in the absence of grant shall be recognized immediately.

Export incentives are accounted for on accrual basis as and when processed and admitted by the concerned authorities. Income on sale of import licenses is accounted for at the time of sale due to uncertainties involved. However, all losses on account of such sales affected before the finalization of accounts have been accounted following the conservative accounting principle.

(j). Employee Benefits

(i) Short-Term Employee Benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the year when the employees render the services.

(ii) Post-Employment Benefits

Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.
The Group makes specified monthly contribution towards Provident Fund. The Group's contribution is recognized as an expense in the Consolidated Statement of Profit and Loss during the year in which the employee renders the related service.

Defined Benefit Plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

All employees are covered under Employees' Gratuity Scheme which is a defined benefit plan. The Holding Company contributes to an approved Employees' Gratuity Fund maintained on behalf of the Holding Company which is subsequently paid by the fund to the Life Insurance Corporation of India as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognised in the Balance Sheet.

Defined benefit costs are recognised as follows:
a) Service cost in the Consolidated Statement of Profit and Loss
b) Net interest on the net defined benefit liability (asset) in the Consolidated Statement of Profit and Loss
c) Remeasurement of the net defined benefit liability / (asset) in Other Comprehensive Income

Compensated leave of absence
Accrual for leave encashment benefit is based on actuarial valuation as on the date of Consolidated Balance Sheet in pursuance of the Holding Company's leave rules.

(k). Share-Based Payments

i. Employee Stock Option Plan (ESOP):

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date in accordance with Ind AS 102, Share-Based Payment. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note 46.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Groups estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Consolidated Statement of Profit and Loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

ii. Employee Share Purchase Scheme (ESPS):

These are in the nature of employee benefit wherein the select employees shall be allowed to purchase the Holding Company's equity shares at the fair value on the grant cum allotment date on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. These are recognized at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note 47.

(l). Tax Expenses

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense comprises current and deferred tax. Tax is recognized in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

<u>Current Tax</u>

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Consolidated Balance Sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments and uses the approach that better predicts the resolution of uncertainty, the Group has considered, for example;

(a) How it prepares its income tax filings and supports tax treatments; or
(b) How the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Group determined, based on its tax compliance, the probability estimate that its tax treatments will be accepted by the taxation authorities.

Deferred Tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Consolidated Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

(m). Earnings Per Equity Share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the year in respect of dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(n). Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Assets retirement obligation (ARO)

The Group records a provision for assets retirement obligation towards store/ shop restoration activity. Assets retirement obligation are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill ARO and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Consolidated Statement of Profit and Loss.

(o). Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(p). Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under Short-Term Borrowings in the Consolidated Balance Sheet but netted off against cash and cash equivalent in Consolidated Cash Flow Statement.

(q). Dividend Distribution

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

(r). Research and Development

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss.

Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Expenditure on development activities in relation to formulations is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

(s). 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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. The fair value hierarchy classifies the inputs used to measure fair value into three levels, which are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Unobservable inputs for the asset or liability.

For financial assets and liabilities maturing within one year from the Consolidated Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(t). Derivative financial instruments

The Group uses derivative financial instruments such as cross currency swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financials instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(u). Borrowing Costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS-23 – "Borrowing Costs" are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Consolidated Statement of Profit and Loss in the year in which they are incurred.

(v). Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Consolidated Balance Sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

i) Represents a separate major line of business or geographical area of operations, or

ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, Or

iii) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Consolidated Statement of Profit and Loss.

(w). Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Holding Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets: The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April1, 2022, although early adoption is permitted. The Holding Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Organic India Private Limited
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(All amounts in INR million, unless otherwise stated)

3A. Property, Plant And Equipment and Capital Work -In -Progress

Particulars	Freehold land	Building	Leasehold improvements	Furniture and fixtures	Display Equipment	Office equipment
Gross carrying value						
As at 1 April 2021	**161.00**	**425.87**	**65.70**	**54.89**	**5.79**	**15.37**
Add: Additions made during the year	-	1.57	9.10	4.66	2.16	0.64
Less: Reclassified as Held for Sale	(148.93)	-	-	-	-	-
Add: Foreign Currency Translation Reserve	-	-	0.01	0.15	0.20	0.13
Less: Disposals / adjustments during the year	-	-	(4.91)	(0.04)	-	(0.03)
As at 31 March 2022	**12.07**	**427.44**	**69.90**	**59.66**	**8.15**	**16.11**
Add: Additions made during the year	-	0.40	4.09	0.48	-	0.28
Less: Reclassified as Held for Sale	-	-	(0.29)	(0.33)	-	-
Add: Foreign Currency Translation Reserve	-	-	0.02	0.40	0.68	0.38
Less: Disposals / adjustments during the year	-	-	(7.05)	(1.87)	-	(0.28)
As at 31 March 2023	**12.07**	**427.84**	**66.67**	**58.34**	**8.83**	**16.49**
Accumulated depreciation and impairment losses						
As at 1 April 2021	**-**	**35.95**	**36.55**	**12.82**	**3.29**	**8.49**
Add: Depreciation charge for the year	-	14.22	16.53	5.75	1.65	2.26
Add: Foreign Currency Translation Reserve	-	-	0.01	0.04	0.11	0.08
Less: On disposals / adjustments during the year	-	-	(4.43)	(0.01)	-	(0.02)
As at 31 March 2022	**-**	**50.17**	**48.66**	**18.60**	**5.05**	**10.81**
Add: Depreciation charge for the year	-	14.23	8.61	6.01	1.60	2.27
Add: Foreign Currency Translation Reserve	-	-	0.02	0.13	0.46	0.36
Less: Reclassified as Held for Sale	-	-	(0.27)	(0.07)	(0.02)	(0.05)
Less: On disposals / adjustments during the year	-	-	(5.27)	(1.23)	-	(0.17)
As at 31 March 2023	**-**	**64.40**	**51.75**	**23.44**	**7.09**	**13.22**
Net carrying value						
As at 31 March 2023	**12.07**	**363.44**	**14.92**	**34.90**	**1.74**	**3.27**
As at 31 March 2022	**12.07**	**377.27**	**21.24**	**41.06**	**3.10**	**5.30**

Particulars	Plant and Equipments	Vehicles	Computers	Total Tangible Assets	Total tangible Assets under Develpoment
Gross carrying value					
As at 1 April 2021	**593.74**	**1.95**	**39.04**	**1,363.35**	**-**
Add: Additions made during the year	12.35	2.79	6.30	**39.57**	**1.77**
Less: Reclassified as Held for Sale	-	-	-	**(148.93)**	**-**
Add: Foreign Currency Translation Reserve	-	-	0.31	**0.80**	**-**
Less: Disposals / adjustments during the year	(10.36)	(0.27)	(2.47)	**(18.08)**	**-**
As at 31 March 2022	**595.73**	**4.47**	**43.18**	**1,236.71**	**1.77**
Add: Additions made during the year	1.45	-	2.84	**9.54**	**87.54**
Less: Reclassified as Held for Sale	-	-	(2.14)	**(2.76)**	**-**
Add: Foreign Currency Translation Reserve	-	-	0.88	**2.36**	**-**
Less: Disposals / adjustments during the year	(0.07)	(1.09)	(4.52)	**(14.88)**	**-**
As at 31 March 2023	**597.11**	**3.38**	**40.24**	**1,230.97**	**89.31**
Accumulated depreciation and impairment losses					
As at 1 April 2021	**175.82**	**1.93**	**24.31**	**299.16**	**-**
Add: Depreciation charge for the year	66.65	0.13	6.95	**114.14**	**-**
Add: Foreign Currency Translation Reserve	-	-	0.22	**0.46**	**-**
Less: On disposals / adjustments during the year	(9.84)	(0.27)	(2.40)	**(16.97)**	**-**
As at 31 March 2022	**232.63**	**1.79**	**29.08**	**396.79**	**-**
Add: Depreciation charge for the year	64.37	0.35	6.82	**104.26**	**-**
Add: Foreign Currency Translation Reserve	-	-	0.69	**1.66**	**-**
Less: Reclassified as Held for Sale	-	-	(1.70)	**(2.11)**	**-**
Less: On disposals / adjustments during the year	(0.04)	(1.09)	(4.53)	**(12.33)**	**-**
As at 31 March 2023	**296.96**	**1.05**	**30.36**	**488.27**	**-**
Net carrying value					
As at 31 March 2023	**300.15**	**2.33**	**9.88**	**742.70**	**89.31**
As at 31 March 2022	**363.10**	**2.68**	**14.10**	**839.92**	**1.77**

1. Title deeds of all immovable properties are held in the name of the Group.

2. Capital work in progress

Particulars	As on 01 April 2021	Additions During the year	Capitalised during the year	As on 31 March 2022	Additions During the year	Capitalised during the year	As on 31 March 2023
Building Under Construction	-	-	-	-	77.61	-	77.61
Incidental Expenses Pending Capitalisation	-	-	-	-	-	-	-
-Interest Expense(net of income)	-	-	-	-	3.03	-	3.03
-Legal & Professional	-	1.72	-	1.72	6.90	-	8.62
-Others	-	0.05	-	0.05	-	-	0.05
Total	**-**	**1.77**	**-**	**1.77**	**87.54**	**-**	**89.31**

3. For Tangible assets under development, the ageing schedule is as given below: (as per amended schedule III)

Particulars	As at 31 March 2023	As at 31 March 2022
Projects in progress:		
Less than 1 year	**87.54**	**1.77**
1-2 years	**1.77**	**-**
2-3 years	**-**	**-**
More than 3 years	**-**	**-**
Total	**89.31**	**1.77**

4. The Group has not revalued Property, plant and equipment during the year.

(All amounts in INR million, unless otherwise stated)

3B. Intangible assets

Particulars	Computer Software	Product Formulations *	Website Design	Trademarks	Total Intangible Assets	Goodwill on consolidation	Total Intangible Assets (Including Goodwill)	Total Intangible Assets under Develpoment
Gross carrying value								
As at 1 April 2021	**41.12**	**12.11**	**15.00**	**132.41**	**200.64**	**568.25**	**768.89**	**8.18**
Add: Additions made during the year	2.67	-	-	7.89	10.56	-	10.56	12.77
Add: Foreign Currency Translation Reserve	0.17	-	0.48	4.30	4.95	17.69	22.64	0.26
Less: Disposals / adjustments during the year	(0.04)	-	-	-	(0.04)	-	(0.04)	(3.77)
As at 31 March 2022	**43.92**	**12.11**	**15.48**	**144.60**	**216.11**	**585.94**	**802.05**	**17.44**
Add: Additions made during the year	18.99	(0.01)	(0.01)	1.31	20.28	-	20.28	6.84
Add: Foreign Currency Translation Reserve	0.79	-	1.32	11.61	13.72	63.38	77.10	1.40
Less: Reclassification to assets as held for sale	(9.14)	-	(8.45)	(142.14)	(159.73)	-	(159.73)	(4.58)
Less: Disposals / adjustments during the year	(0.02)	-	-	-	(0.02)	-	(0.02)	(21.10)
As at 31 March 2023	**54.54**	**12.10**	**8.34**	**15.38**	**90.36**	**649.32**	**739.68**	**(0.00)**
Accumulated depreciation and impairment losses								
As at 1 April 2021	**24.31**	**-**	**8.88**	**41.45**	**74.64**	**-**	**74.64**	**-**
Add: Amortisation for the year	8.16	-	4.00	13.08	25.24	-	25.24	-
Add: Impairment during the year (refer note 50(b))	-	-	-	-	-	47.96	47.96	-
Add: Foreign Currency Translation Reserve	0.11	-	0.34	1.56	2.01	0.76	2.77	-
Less: On disposals / adjustments during the year	(0.03)	-	-	-	(0.03)	-	(0.03)	-
As at 31 March 2022	**32.55**	**-**	**13.22**	**56.09**	**101.86**	**48.72**	**150.58**	**-**
Add: Amortisation for the year	12.77	1.21	2.28	16.39	32.65		32.65	-
Add: Impairment during the year (refer note 50(b))	-	-	-	-	-	209.65	209.65	-
Add: Foreign Currency Translation Reserve	0.40	-	0.99	3.38	4.77	9.25	14.02	-
Less: Reclassification to assets as held for sale	(1.78)	-	(8.25)	(68.23)	(78.26)	-	(78.26)	-
Less: On disposals / adjustments during the year	(0.01)	-	-	-	(0.01)	-	(0.01)	-
As at 31 March 2023	**43.93**	**1.21**	**8.24**	**7.63**	**61.01**	**267.62**	**328.63**	**-**
Net carrying value								
As at 31 March 2023	**10.61**	**10.89**	**0.10**	**7.75**	**29.35**	**381.70**	**411.05**	**(0.00)**
As at 31 March 2022	**11.37**	**12.11**	**2.26**	**88.51**	**114.25**	**537.22**	**651.47**	**17.44**

Organic India Private Limited
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	As at 31 March 2023	As at 31 March 2022
1. Goodwill on consolidation includes foreign currency translation reserve and represents :		
- on acquisition of 100% shares of Organic Indi a USA LLC.	381.72	339.53
- on acquisition of 50.01% shares of Clean Program Corp. by Organic Indi a USA	267.60	246.41
	649.32	**585.94**

2. For Intangible assets under development, the ageing schedule is as given below: (as per amended schedule III)

Particulars	As at 31 March 2023	As at 31 March 2022
Projects in progress:		
Less than 1 year	0.00	13.02
1-2 years	-	2.97
2-3 years	-	1.45
More than 3 years	-	-
Total	**0.00**	**17.44**

Note:
1) * Based on management assessment and business plan, management has assessed the useful life of Product Formulations as five years, and is accordingly being amortised.

2) The group has not revalued Intangible assets during the year.

3) Owing to business performance of its step-down subsidiary, Clean Progarm Corp (CPC), the management of the Subsidiary Company, Organic India USA LLC has impaired the value of goodwill on consolidation amounting to INR 209.65 million. The managment continues to closely monitor the performance of the entity (refer note 50(b) to the Consolidated Financial Statements).

(All amounts in INR million, unless otherwise stated)

Note 3C - Right of use assets

Particulars	Leasehold Land	Leasehold Vehicles	Leasehold Premises	Total Right Of Use Assets
Gross Carrying Value				
As at 1 April 2021	**76.03**	**-**	**294.69**	**370.72**
Add: Additions made during the year	-	3.97	87.49	91.46
Add: Foreign Currency Translation Reserve	-	-	1.70	1.70
Less: Disposals / Adjustments during the year	-	(3.97)	(75.73)	(79.70)
As at 31 March 2022	**76.03**	**-**	**308.15**	**384.18**
Add: Additions made during the year	-	-	34.41	34.41
Add: Foreign Currency Translation Reserve	-	-	4.78	4.78
Less: Disposals / Adjustments during the year	-	-	(201.83)	(201.83)
Less: Related to Discointued Operations	-	-	(32.52)	(32.52)
As at 31 March 2023	**76.03**	**-**	**112.99**	**189.02**
Accumulated Depreciation				
As at 1 April 2021	1.68	-	89.28	**90.96**
Add: Depreciation charge for the year	0.83	0.68	65.05	66.56
Add: Foreign Currency Translation Reserve	-	-	0.54	0.54
Less: On Disposals / Adjustments during the year	-	(0.68)	(51.86)	(52.54)
As at 31 March 2022	**2.51**	**-**	**103.01**	**105.52**
Add: Depreciation charge for the year	0.85	-	38.64	39.49
Add: Foreign Currency Translation Reserve	-	-	(0.27)	(0.27)
Less: On Disposals / Adjustments during the year	-	-	(68.62)	(68.62)
Less: Related to Discointued Operations	-	-	(30.67)	(30.67)
As at 31 March 2023	**3.36**	**-**	**42.09**	**45.45**
Net Carrying Value				
As at 31 March 2023	**72.67**	**-**	**70.90**	**143.57**
As at 31 March 2022	**73.52**	**-**	**205.14**	**278.66**

Notes:

1. Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation. Hence the Holding Company has depreciated its leasehold land over the period of 90 years. There is no future obligation/lease payment to be made in relation to finance lease mentioned above. Accordingly, there is no reconciliation between future minimum lease payments and their present value as on 31 March 2023 and 31 March 2022.

2. Leasehold Premises represent properties taken on lease for its offices, retail outlets and warehouses accounted for in accordance with principles of Ind AS 116 'Leases'.

3. Ind AS 116 Leases:

(i) The Group's lease asset primarily consist of leases for vehicles, land and buildings for retail outlets, offices and warehouses having different lease terms.

(ii) The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.

(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and for leases with variable rentals.

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standard only to contracts that were previously identified as leases under Ind AS 17.

(e) Applied the practical expedient by not considering rent concessions occuring as a direct consequence of the Covid-19 pandemic that meets the conditions in paragraph 46B of Ind AS - 116 as lease modifications. The amount of the rent concession received for the year ended 31st March, 2023 and 31 March, 2022 amounting to INR 0.16 million and INR 6.95 million respectively has been recognised in the Consolidated Statement of Profit and Loss to reflect the change in lease payments for the reporting period that arise for the said rent concessions.

(f) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

(iii) The following is the carrying value of lease liability on the date of transition and movement thereof:

Particular	31 March 2023	31 March 2022
Opening balance	220.41	212.12
Additions during the year	33.12	88.72
Finance cost accrued during the year	8.25	16.89
Deletions during the year	(151.57)	(30.07)
Foreign Currency Translation Reserve	2.86	1.19
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	(0.16)	(6.95)
Payment of lease liabilities	(31.97)	(61.49)
Less: Reclassified on Liabilities related to discontiued operations	(7.00)	-
Closing Balance	**73.94**	**220.41**

(iv) During current period, the Holding Company has deleted ROU amounting to INR 127.52 million and lease liability amounting to INR 105.27 million on account of change in agreement of lease with Fabindia (Ultimate Holding Company)

(v) The weighted average incremental borrowing rate applied to lease liabilities is 8.0% p.a.

(vi) Rental expense recorded for short-term leases for continuing operations and for discontinued operations (refer note 35) are as below:

Particulars	31 March 2023	31 March 2022
For Continuing operations	120.60	74.09
For Dis Continuing operations	2.09	3.95

(vii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022
4 Non-current Investments		
Investments measured at Cost		
Investment in Equity Instruments (Fully paid up)		
Unquoted		
Investment in Associate Companies		
2,328 (Previous Year 2,328) Equity shares of Rs 10 each fully paid up of Nutriwel Health (India) Private Limited	1.39	1.39
Add: Share of Accumulated Profit/(Loss) of Associate Companies	(1.49)	(1.49)
Add: Share of Other Comprehensive Income of Associate Companies	0.10	0.10
Total Investments measured at cost	-	-
Investments measured at amortised cost		
Unsecured		
Investment in Associate Companies		
9% 11,908,623 (Previous Year 11,908,623) Optional Convertible Debentures of Rs 10 each of Nutriwel Health (India) Private Limited	208.04	198.40
Add: Share of Accumulated Profit/(Loss) of Associate Companies	(13.66)	(11.42)
Add: Share of Other Comprehensive Income of Associate Companies	0.38	0.23
Total Investments measured at Fair Value through Profit & Loss	**194.76**	**187.21**
Investment in Others		
6% 5,687,538 (Previous Year 5,687,538) Optionally Convertible Debentures of Rs 10 each of Composite Interceptive Med-Science	52.51	48.06
Total Investments measured at Amortised Cost	**52.51**	**48.06**
Total Non - Current Investments	**247.27**	**235.27**
Less: Provision for impairment in the value of investments	(247.27)	(48.06)
Total Non-Current Investments	**-**	**187.21**
Aggregate amount of unquoted investments	247.27	235.27
Aggregate amount of impairment in the value of investments	247.27	48.06

	As At March 31, 2023	As At March 31, 2022
Category-wise Non-Current Invetsment		
Financial assets carried at amortised cost	52.51	48.06
Financial assets measued at cost	-	-
Financial assets measured at fair value through other comprenhive income	-	-
Financial assets measured at fair value through profit or loss	194.76	187.21
Total Non-Current Investment	**247.27**	**235.27**

	As At 31 March 2023	As At 31 March 2022
5 Non-current Loans *		
(Unsecured, considered good unless otherwise stated)		
Advance to employees	8.77	29.11
	8.77	**29.11**
***Break up**		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	8.77	29.11
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**8.77**	**29.11**
Less: Allowance for doubtful Loans	-	-
	8.77	**29.11**

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022
Due from Related Parties (refer note no. 44)		
-Subrata Dutta, Managing Director	-	20.16
-Vikash, Chief Financial Officer	-	1.44
-Alok Kumar, Company Secretary	0.36	0.26
-Dinesh Kumar, Executive Director	-	0.18
-Balram Singh, Managing Director	1.60	-

As at 31 March, 2023

Type of Borrower	Loans/Advances granted jointly or individually with others	Repayable on demand	Terms/year of repayment is specified	Amount outstanding as at Balance Sheet date	%age of Total
Advance to KMPs	Individually	No	Yes	1.96	22.35%

As at 31 March, 2022

Type of Borrower	Loans/Advances granted jointly or individually with others	Repayable on demand	Terms/year of repayment is specified	Amount outstanding as at Balance Sheet date	%age of Total
Advance to KMPs	Individually	No	Yes	22.04	75.69%

6 Other non-current financial assets

	As At 31 March 2023	As At 31 March 2022
Security Deposits	12.98	15.27
Deposits with original maturity more than 12 months *	2.15	6.12
Interest accrued on loans and deposits	0.10	0.30
Forwards Contracts/Options Recoverable	-	1.67
	15.23	**23.36**
* under lien against bank guarantees and forward contracts with banks	2.15	3.21

7 Non-current income tax assets

	As At 31 March 2023	As At 31 March 2022
Opening balance of Advance Tax (Net)	128.57	134.05
Add: Reclassification / Adjustment during the year	22.99	-
Less: Current tax payable for the year	(0.23)	(49.85)
Add: Taxes paid	27.35	35.02
Add : Foreign Currency Translation Reserve	(0.08)	(0.01)
Less: Tax provision for earlier years	0.91	9.36
Less: Ralated to discontiuning operation	0.09	-
Closing balance of Advance Tax (Net)	179.60	128.57
Advance Income Tax (net of provision of income tax)	179.60	128.57
	179.60	**128.57**

8 Deferred tax assets (net)

The balance comprises temporary differences attributable to:

	As At 31 March 2023	As At 31 March 2022
Stock Reserve on inter group company sales	40.71	42.94
Depreciation and Amortization	(26.83)	(74.39)
Lease Liabilities	18.61	43.51
Bonus and Exgratia Payable	6.23	4.75
Provision for retirement benefits	2.31	2.62
Provision for Leave Encashment	5.27	4.61
Other Disallowances under section 43B of IT Act	-	0.21
Provision for Doubtful Receivables and Advances	48.31	13.32
Provision for Non Moving Inventory	9.96	1.46
Discounting of Security Deposits	1.11	1.10
Discounting of Loan and Investments	16.52	14.76
Asset retirement obligation	1.19	1.12
Fair Value change in Derivative Instruments	6.76	(0.53)
Fair Value change in Investments	37.64	(10.83)
Carry Forward Losses	-	14.70
Current year Losses	31.84	-
Exchange Difference on translation of Foreign Operations*	(24.09)	(19.31)
Other timing differences	14.44	10.29
Reclass of deferred tax asset on gratuity*	(0.11)	(0.16)
	189.87	**50.17**

*Impact has been taken to other comprehensive income

(All amounts in INR million, unless otherwise stated)

		As At 31 March 2023	As At 31 March 2022
9	**Other non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Advance for capital goods	17.03	1.77
	Prepaid expenses		
	- Prepaid Employee Share Purchase Compensation (refer note 47)	20.32	50.14
		37.35	**51.91**
10	**Inventories**		
	Raw Materials	83.25	112.66
	Packing Material	64.93	89.80
	Work - in - Progress	142.06	168.32
	Finished Goods		
	- Manufactured	153.70	180.25
	- Traded #	83.90	168.45
	Consumables & Promotional Items	14.94	10.37
	Goods - in - Transit- Finished Goods	102.05	74.12
	Goods in Transit- Raw Material & Packaging	13.35	-
		658.18	**803.97**
	Less: Provision for Non - Moving Inventory	(47.92)	(9.55)
		610.26	**794.42**
	- As per inventory taken,valued and certified by the Management		
	# This Include Inventory lying with Third Party	283.92	159.43
11	**Trade receivables**		
	Trade Receivables considered good - Secured	-	-
	Trade Receivables considered good - Unsecured	587.52	789.97
	Trade Receivables which have significant increase in credit risk	137.03	51.55
	Trade Receivables - credit impaired	-	-
		724.55	**841.52**
	Less: Allowance for expected credit loss	(137.03)	(51.55)
		587.52	**789.97**
	Due from Related Parties		
	- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	6.85	41.67
	- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited (Entity controlled by directors)	-	1.67
	- M/s LEV True Wellness Private Limited	-	11.97
	- M/s Organic India Farmers Producer Co.Limited	0.03	0.11
	- Nutriwel Health India Private Limited (Associate)	2.66	1.88
	Total trade receivables from related parties	**9.54**	**57.30**
	Less: Allowance for expected credit loss	(1.18)	-
	Net Trade Receivables from Related Parties	**8.36**	**57.30**

Note: The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of consolidated balance sheet. All of the Group's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for an expected credit loss of INR 137.03 Million (previous year INR 51.55 million) has been recorded.
For trade receivables outstanding, the ageing schedule is as given below:

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment/date of transaction						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	0.07	391.29	151.85	35.85	4.15	4.31	587.52
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	13.72	21.16	40.60	47.36	14.19	137.03
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Allowance for Expected Credit Loss	-	(13.72)	(21.16)	(40.60)	(47.36)	(14.19)	(137.03)
Total	0.07	391.29	151.85	35.85	4.15	4.31	587.52

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment/date of transaction						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	257.24	376.58	41.46	74.74	24.11	15.84	789.97
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	15.14	26.47	2.59	4.95	1.42	0.98	51.55
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Allowance for Expected Credit Loss	(15.14)	(26.47)	(2.59)	(4.95)	(1.42)	(0.98)	(51.55)
Total	257.24	376.58	41.46	74.74	24.11	15.84	789.97

***Movement in Allowance for expected credit loss**

	As At 31 March 2023	As At 31 March 2022
Balance at the beginning	51.55	51.55
Provision during the year	85.48	-
Amounts utilized / written back during the year	-	-
Balance at the end	**137.03**	**51.55**

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022
12 Cash and cash equivalents		
Balances with banks		
-In Current Accounts	40.11	86.71
Deposits with maturity of less than three months	0.35	-
Cheque on hand	0.68	-
Interest accrued on loans and deposits	0.02	-
Cash on hand	0.82	0.17
	41.98	**86.88**
* under lien against bank guarantees and forward contracts with banks	0.35	-
13 Bank balances other that cash and cash equivalents		
Deposits with original maturity of more than three months but less than twelve months*	7.40	3.39
Interest accrued on loans and deposits	0.36	0.08
Total bank balances other than cash & cash equivalents	**7.76**	**3.47**
* under lien against bank guarantees, Letter of credits and forward contracts with banks	7.40	2.71
14 Current Financial Assets - Loans		
(Unsecured, considered good unless otherwise stated)		
Advances to Employees	30.84	18.40
Other Loans	6.00	6.00
	36.84	**24.40**
Less: Allowance for expected credit loss	(19.64)	-
	17.20	**24.40**
Break up		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	17.20	24.40
Loans which have significant increase in credit risk	19.64	-
Loans - credit impaired	-	-
Total	**36.84**	**24.40**
Less: Allowance for expected credit loss	(19.64)	-
	17.20	**24.40**
Due from Related Parties (refer note no. 44)		
-Subrata Dutta, Managing Director*	15.76	8.64
-Vikash, Chief Financial Officer	2.52	0.62
-Alok Kumar, Company Secretary	0.04	0.11
-Dinesh Kumar, Executive Director	-	0.08
-Balram Singh, Managing Director	0.18	-

* The provision of INR 13.64 Mn has been made against advance to Subrata Dutta.

As at 31 March 2023

Type of Borrower	Loans/Advances granted jointly or individually with others	Repayable on demand	Terms/year of repayment is specified	Amount outstanding as at Balance Sheet date	%age of Total
Loan to KMPs	Individually	No	Yes	18.50	50.22%

As at 31 March 2022

Type of Borrower	Loans/Advances granted jointly or individually with others	Repayable on demand	Terms/year of repayment is specified	Amount outstanding as at Balance Sheet date	%age of Total
Loan to KMPs	Individually	No	Yes	9.45	38.73%

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022
15 Current Financial Assets - Others		
Security Deposits	12.61	17.57
Forwards Contracts/Options Recoverable	-	9.20
	12.61	**26.77**

	As At 31 March 2023	As At 31 March 2022
16 Other Current Assets		
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses		
- Prepaid Employee Share Purchase Compensation	7.58	16.86
- Other Prepaid Expenses	13.70	38.49
Advance to supplier *		
- Considered Good	26.01	41.85
- Considered Doubtful	11.39	2.07
Goods and Service Tax Input Credit Recoverable	288.11	252.95
Recoverable from Government Authorities	0.31	24.08
Duty Drawback Receivable	3.62	3.02
Incremental Export Incentivisation Scheme		
- RoDTEP Receivable	6.70	5.15
- MEIS Scrips Receivable	1.06	16.47
Other Recoverable	1.60	7.92
	360.08	**408.86**
Less: Allowance for Doubtful Advances	(11.39)	(2.07)
	348.69	**406.79**

*Included due from related parties (refer note no. 44)			
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	(Entity controlled by directors)	1.12	-

17 EQUITY SHARE CAPITAL

Particulars	AS AT 31ST MARCH, 2023		AS AT 31ST MARCH, 2022	
	No of Shares	Amount (in INR Million)	No of Shares	Amount (in INR Million)
AUTHORISED SHARE CAPITAL				
Equity Shares of Rs 10/- each	89,400,000	894.00	89,400,000	894.00
	89,400,000	**894.00**	**89,400,000**	**894.00**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of Rs.10/- each fully paid up	82,702,497	827.02	82,702,497	827.02
	82,702,497	**827.02**	**82,702,497**	**827.02**

'During the period the Holding Company has transferred 27,900 Equity Shares (Previous Year 28500) to the eligible employees under the Organic India Pvt Ltd Employee Share Purchase Scheme(ESPS) as Long Term Service Award.The Nomination and Remuneration Committee in its meeting held on 1 Aug 2022 had relaxed the lock-in conditions and released 28,631 Equity Shares (PY NIL) to be transferred to the eligible employees of the Holding Company under ESPS.

'OI (India) Holdings, LLC, one of the promotors of the Holding Company transferred 1,24,05,375 Equity Shares held in the Company on June 30 2022 to PI Opportunity Fund I Scheme II pursuant to the Share Transfer Agreement and Share Holders Agreement executed between OI (India) Holdings, LLC, PI Opportunity Fund - I Scheme - II, Fabindia Limited, Ms. Holly B Lev, Mr Yoav Lev and the Holding Company dated 10 June 2022.

a). Terms/rights attached to Equity Shares

The Holding Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of equity shares is entitled to dividends as and when the Holding Company declares and pays dividend after obtaining shareholders approval. The Holding Company declares and pays dividend in Indian Rupees.

The Board has not proposed any dividend for the year ended 31 March 2023 & 31 March 2022.

In the event of liquidation of the Group, the equity shareholders are eligible to receive the remaining assets of the Group, after distribution of all preferential amounts, in proportion to their shareholding.

b). Shares held by Ultimate holding and/or their subsidiaries/ associates

Out of the equity shares issued by the Holding Company, shares held by Ultimate holding Company are as below:

Equity Shares	AS AT 31ST MARCH, 2023		AS AT 31ST MARCH, 2022	
	No of Shares	Amount (in INR Million)	No of Shares	Amount (in INR Million)
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited) (Equity shares of Rs. 10/- each)	52,751,805	527.52	52,751,805	527.52

c) The details of shareholding of promoters as at 31 March, 2023 and 31 March, 2022 is set out below: (as per amended schedule III)

Name of shareholder	AS AT 31ST MARCH, 2023			AS AT 31ST MARCH, 2022		
	No of Shares	% of shareholding	% changes during the year	No of Shares	% of shareholding	% changes during the year
Equity Shares of Rs. 10/- each fully paid up						
OI (India) Holdings, LLC	14,001,189	16.93%	-46.98%	26,406,564	31.93%	-27.96%
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	52,751,805	63.79%	0.00%	52,751,805	63.79%	24.11%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d). The details of shareholders holding more than 5% shares as at 31 March 2023 and 31 March 2022:

Name of shareholder	AS AT 31ST MARCH, 2023		AS AT 31ST MARCH, 2022	
	No of Shares	Percentage	No of Shares	Percentage
Equity Shares of Rs. 10/- each fully paid up				
OI (India) Holdings, LLC	14,001,189	16.93%	26,406,564	31.93%
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	52,751,805	63.79%	52,751,805	63.79%
PI Opportunity Fund I Scheme II	12,405,375	15.00%	-	0.00%

e). The reconciliation of the number of shares outstanding as at 31 March 2023 and 31 March 2022:

Particulars	AS AT 31ST MARCH, 2023		AS AT 31ST MARCH, 2022	
	No of Shares	Amount (in INR Million)	No of Shares	Amount (in INR Million)
Equity Shares of Rs. 10/- each fully paid up				
Number of shares in the beginning	82,702,497	827.02	82,702,497	827.02
Add: Shares issued to employees by Organic India Welfare Trust under Employee Share Purchase Scheme*	-	-	-	-
Number of shares at the end	**82,702,497**	827.02	**82,702,497**	827.02

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022
18 Other Equity		
Summary of Other Equity Balance		
Attributable to Owners		
Reserves & Surplus		
General Reserve	63.50	18.14
Securities Premium	249.47	249.48
Stock Option Outstanding Account	0.00	46.13
Treasury Shares	(14.30)	(0.90)
Retained Earnings	209.37	1,127.43
Remeasurements of the net defined benefit Plans (Net of tax)	0.98	0.98
Other Comprehensive Income		
Foreign Currency Translation Reserve	79.66	63.60
	588.68	1,504.86
Non Controlling Interest	157.47	179.17
	746.15	**1,684.03**

Nature and purpose of each reserves

a) General reserve
This reserve represents appropriation of Profits after dividend from Surplus in Consolidated Statement of Profit and Loss at each year end. The same can be utilized by the Group in accordance with the provisions of the Companies Act, 2013.

b) Securities premium
The amount received in excess of face value of equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

c) Stock Option Outstanding Account
This reserve relates to Stock Options Granted by the Holding Company and the Subsdiary Company to its employees under their stock option schemes. This reserve is transferred to Securities Premium and Retained Earnings on exercise or cancellation of the vested options.

d) Retained Earning
Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Foreign Currency Translation Reserve
Exchange differences arising on translation of assets, liabilities, incomes and expenses of the Group's foreign subsidiaries are recognised in Other Comprehensive Income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the Consolidated Statement of Profit and Loss on disposal of the related foreign subsidiaries.

f) Remeasurements of the Net Defined Benefit Plans
Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in Other Comprehensive Income.

	As At 31 March 2023	As At 31 March 2022
19 Non-Current Financial Liabilities - Borrowings		
Term Loan		
Secured		
- Citi Bank NA*	123.71	81.27
- Standard Chartered Bank *	-	35.29
Unsecured		
Loans from Related Parties		
OI (US) Holdings LLC #	139.67	128.61
	263.38	**245.17**
Less: Current Maturity of Long Term Debt shown under Note no 23	(12.89)	(116.56)
	250.49	**128.61**

This pertains to amount due to OI (US) Holdings, LLC, entity under common control

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022

Details of Term Loans are as follows:

As at 31 March 2023

Particulars	Purpose and Terms of Repayment	Securities Provided	Rate Of Interest	Upto 1 year	1-5 years	More than 5 years
CITI Bank *	(a) Purpose: For financing the capital expenditure for Plot No. C-7 at UPSIDC during FY 2022-23 (b) Tenure of 5 years including moratorium period of 12 months	(a) First Pari passu charge on entire movable fixed assets of the Company (Present and future) (b) First Pari passu charge on entire immovable fixed assets of the Company (Present and future)	5y interest rate swap at a fixed rate coupon of USD 5.35% on monthly basis.	12.89	110.82	-
Standard Chartered Bank*	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018 (b) Repayable in 17 equal quarterly installments of ₹ 1,17,64,706 each commencing from October 2018 and ending October 2022.	(a) first pari passu charge by way of equitable mortgage over factory land & building situated at Agro Park, UPSIDC Near Kursi Road Barabanki. (b) over entire movable fixed assets of Company along with those created at new plant. (c) first pari passu charge by way of equitable mortgage over land and building at Plot no 266, Faizabad road, Kamta, Post Chinhat, Lucknow - 227105	The loan carry interest rate of 6.1% per annum. The Company has further entered in to a cross currency swap agreement with the bank and converted its loan to a equivalent foreign currency loan with interest rate @ 2.9% on the outstanding foreign currency amount.	-	-	-
OI (US) Holdings LLC #	(a) Purpose - For meeting working capital requirements. (b) Repayable at the end of five years from the date on which loan was taken i.e. 27th March 2015 which have been further extended by five years in March 2020	No charge has been created on the assets of the Group.	The loan carry interest rate of 4% per annum payable quarterly.	-	139.67	-

The Group has been regular in payment of principal and interest as stipulated in respect of the above mentioned loans and has registered the charges with the Registrar of Companies, within the stipulated period prescribed under the Companies Act, 2013.

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022

As at 31 March 2022

Particulars	Purpose and Terms of Repayment	Securities Provided	Rate Of Interest	Upto 1 year	1-5 years	More than 5 years
CITI Bank *	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018 (b) Repayable in 16 equal quarterly installments of USD 5,37,109 each commencing from November 2018 and ending August 2022.	(a) First Pari passu charge on entire movable fixed assets of the Company (Present and future) (b) First Pari passu charge on entire immovable fixed assets of the Company (Present and future)	2.9% p.a. including hedging of Libor.	81.27	-	-
Standard Chartered Bank*	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018 (b) Repayable in 17 equal quarterly installments of ₹ 1,17,64,706 each commencing from October 2018 and ending October 2022.	(a) first pari passu charge by way of equitable mortgage over factory land & building situated at Agro Park, UPSIDC Near Kursi Road Barabanki. (b) over entire movable fixed assets of Company along with those created at new plant. (c) first pari passu charge by way of equitable mortgage over land and building at Plot no 266, Faizabad road, Kamta, Post Chinhat, Lucknow - 227105	The loan carry interest rate of 6.1% per annum. The Company has further entered in to a cross currency swap agreement with the bank and converted its loan to a equivalent foreign currency loan with interest rate @ 2.9% on the outstanding foreign currency amount.	35.29	-	-
OI (US) Holdings LLC #	(a) Purpose - For meeting working capital requirements. (b) Repayable at the end of five years from the date on which loan was taken i.e. 27th March 2015 which have been further extended by five years in March 2020	No charge has been created on the assets of the Group.	The loan carry interest rate of 4% per annum payable quarterly.	-	128.61	-

The Group has been regular in payment of principal and interest as stipulated in respect of the above mentioned loans and has registered the charges with the Registrar of Companies, within the stipulated period prescribed under the Companies Act, 2013.

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022
20 Non-Current Financial Liabilities - Lease Liabilities		
Lease Liability	54.80	181.87
	54.80	**181.87**
21 Non-Current Other Financial Liabilities		
Security Deposits Received	36.65	37.65
Forwards Contracts/Options and Swap Payables	4.98	1.98
	41.63	**39.63**
22 Non-Current Provisions		
Provision for Employee Benefits		
- Gratuity	8.73	9.76
- Leave Encashment	-	16.16
Provision for Asset Retirement Obligations #	4.21	4.34
	12.94	**30.26**

(i) Information about individual provisions and significant estimates

a) **Provision for asset retirement obligation** - A provision has been recognised for Asset retirement obligation costs associated with the stores taken on operating lease by the Group. The Group is committed to return the stores in as is position at the expiry of those leases. The Group has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

 # Provision for Asset Retirement Obligations

	As At 31 March 2023	As At 31 March 2022
Balance at the beginning	4.34	2.82
Provision during the year	0.05	1.70
Amounts utilized / written back during the year	0.18	0.18
Balance at the end	**4.21**	**4.34**

23 Current Financial Liabilities -Borrowings

	As At 31 March 2023	As At 31 March 2022
Secured		
Current Maturity of Long Term Debt(Refer Note 19)	12.89	116.56
-Axis Bank*		
- Working Capital Demand Loan (WCDL)	747.48	266.93
-Citi Bank, N.A.**		
- Packing Credit Foreign Currency (PCFC)	-	159.42
- Working Capital Demand Loan (WCDL)	-	35.79
-Line of Credit#	234.15	189.14
-Standard Chartered Bank***		
-Bank Overdraft	-	33.61
- HDFC Bank****		
- Working Capital Demand Loan (WCDL)	56.36	21.52
-ICICI Bank*****		
- Working Capital Demand Loan (WCDL)	6.44	-
-Yes Bank******		
- Working Capital Demand Loan (WCDL)	-	-
-Vendor Financing	46.91	-
	1,104.23	**822.97**

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	**As At 31 March 2022**

* The Holding Company had been sanctioned secured cash credit, working capital demand loan and Export credit Limits (pre shipment and post shipment) from AXIS Bank Ltd. amounting to INR 300 millions for financing the short-term working capital requirements.
The said facilities are secured by first pari-passu charge on entire current assets of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) both present and future of the Holding Company. The interest rate for the said facilities is as below:
a. Pre shipment credit - Repo + 3.10% p.a. i.e. 8.50% p.a.
b. WCDL - Repo + 2.85% p.a i.e. 8.25% p.a.
c. Cash Credit - Repo + 3.10% p.a i.e. 8.50% p.a.
The Holding Company has been regular in payment of principal and interest as stipulated.

** The Holding Company had been sanctioned secured Cash Credit, working capital demand loan and Packing Credit facilities from Citibank N.A. amounting to INR 200 millions for financing short-term working capital requirements. The said facilities are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Company. The interest rate for the said facilities is 3.37% p.a.
The Holding Company has been regular in payment of principal and interest as stipulated.

The Subsidiary Company, Organic India USA LLC, has been sanctioned secured Line of Credit from CitiBank N.A. for financing short term working capital requirements amounting to USD 3 Million. The said credit carrires an interest rate of 2% above the base rate as defined in the agreement payable quarterly(effective rate 3%) and is secured against the inventory of the said Subsidiary Company. The said Line of Credit facility is repayable on demand.

*** The Holding Company had been sanctioned secured cash credit, bank overdraft, working capital loan and export credit limits from Standard Chartered Bank amounting to INR 100 Million for financing short term working capital requirements. The said facilities carry interest rate based on 1-6 Month MCLR as on the date of availment of the facility. and are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company.
The Holding Company has been regular in payment of principal and interest as stipulated.

**** The Holding Company has been sanctioned secured cash credit, working capital demand loan and export credit limits from HDFC Bank Limited to INR 150 Million for financing short term working capital requirements. The said facilities carry interest rate between 7.20% to 7.90% p.a. and are secured against first pari-passu charge on current assets present and future of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company.

*****The Holding Company is in the process of availment of additional secured cash credit, working capital demand loan and export credit limits from ICICI Bank Limited for an amount of INR 225 million for financing short-term working capital requirements. The said facilities will carry interest rate M + 0.5% 6M and will be secured against the first pari-passu charge on the current assets present and future of the Holding Company and second pari-passu charge on the fixed assets (moveable and immovable) of the Company. The Board of Directors of the Holding Company in their meeting held on 01 April 2022 had approved the availment of the said working capital limits and the Holding Company will execute documents for setting up the said short-term credit limits as required. The Holding Company has been regular in payment of principal and interest as stipulated.

******The Holding Company has been sanctioned secured cash credit, working capital demand loan and export credit limits from Yes Bank Limited for an amount of INR 200 million for financing short term working capital requirements. The said facilities will carry interest rate of 8% p.a and will be secured against the first pari-passu charge on the current assets present and future of the Holding Company and second pari-passu charge on the fixed assets (moveable and immovable) of the Holding Company. The Board of Directors of the Holding Company in their meeting held on 21 Sept 2022 had sanctioned the availment of aforesaid working capital limits from Yes Bank Limited. The Hodling Company has repaid and surrendered the said limits granted from Yes bank Limited after approval of the Board of Directors in their meeting held on 18 January 2023 and took additional limits from Axis Bank Limited (INR 550 million earlier to INR 850 million). The charge created on the current and fixed assets stands satisfied as at March 31, 2023.

Vendor Financing: The Holding Company has taken a Vendor Financing service from TREDS (Trades Receivables Discounting System) Ltd which is a regulated entiry licensed by Reserve Bank of India and is governed under Payment and Settlement System Act 2007 and is an institution mechanism to facilitate the financing of trade receivables through Factoring / Reverse Factoring of Micro, Small, and Mediam enterprises due from Corporate buyers like the Company. The usance period is upto 180 days from the date of Factoring unit creation, subject to the Facroring Unit of the Seller to be factored within 45 days from invoice Acceptance Date. The rate of interest is decided through a transparent bidding system by registered financers on the platform, to be recovered

The Group has registered the charges with the Registrar of Companies within the stipulated period prescribed under the Companies Act, 2013.

24 Current Financial Liabilities - Lease Liabilities

Lease Liabilities	19.14	38.54
	19.14	38.54

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022
25 Trade Payables		
For Goods and Services		
- Due of micro enterprises and small enterprises (Refer Note 51)	31.99	62.83
- Due of creditors other than micro enterprises and small enterprises	365.71	522.90
	397.70	**585.73**

For trade payables outstanding, the ageing schedule is as given below:

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	13.36	18.63	-	-	-	**31.99**
(ii) OTHERS	42.16	199.62	6.07	0.45	0.02	**248.32**
(iii) DISPUTED DUES - MSME	-	-	-	-	-	-
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-	-
(v) UNBILLED - MSME	-	-	-	-	-	-
(vi) UNBILLED - OTHERS	117.39	-	-	-	-	**117.39**
TOTAL	**172.92**	**218.25**	**6.07**	**0.45**	**0.02**	**397.70**

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.78	62.05	-	-	-	**62.83**
(ii) OTHERS	102.89	335.87	7.27	6.40	-	**452.43**
(iii) DISPUTED DUES - MSME	-	-	-	-	-	-
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-	-
(v) UNBILLED - MSME	-	-	-	-	-	-
(vi) UNBILLED - OTHERS	70.47	-	-	-	-	**70.47**
Total	**174.14**	**397.92**	**7.27**	**6.40**	-	**585.73**

	As At 31 March 2023	As At 31 March 2022
26 Current Financial Liabilities - Others		
Interest accrued but not due on borrowings *	4.21	2.21
Payable for capital goods	6.76	3.38
Security Deposits Received	50.56	56.03
Forwards Contracts/Options and Swap Payables	21.89	6.76
Employee Related Payable	42.11	47.47
	125.53	**115.85**
* This includes due to OI (US) Holdings LLC, a entity under common control	2.79	1.29
27 Other Current Liabilities		
Advance from Customers	10.16	4.29
Statutory Dues	27.54	19.65
Refund Liabilities*	57.39	22.66
	95.09	**46.60**
*** Movement of Refund Liabilities**		
Balance at the beginning of the year	22.66	17.37
Add: Additions during the year	35.95	22.66
Less: Utilised during the year	1.22	17.37
Balance at the end of the year	**57.39**	**22.66**

(All amounts in INR million, unless otherwise stated)

	As At 31 March 2023	As At 31 March 2022
28 Current Provisions		
Provision for Employee Benefits		
- Leave Encashment	20.93	2.18
Provision for Asset Retirement Obligations *	0.50	0.10
	21.43	**2.28**

a) **Provision for asset retirement obligation**- A provision has been recognised for asset retirement obligation costs associated with the stores taken on operating lease by the Group. The Group is committed to return the stores in as is position at the expiry of those leases. The Group has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

(i) Movement in Provisions during the year

Provision for Asset Retirement Obligations		
Balance at the beginning	0.10	0.18
Provision during the year	0.58	0.11
Amounts utilized / written back during the year	0.18	0.19
Balance at the end	**0.50**	**0.10**

(All amounts in INR million, unless otherwise stated)

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
29 Revenue from operations		
Sale of Products		
- Domestic	2,902.97	3,150.71
- Exports	330.14	431.21
	3,233.11	3,581.92
Other Operating Revenue		
Government Grants*		
- Duty Drawback Received / Export Incentives / MEIS Scrips Received	10.80	36.34
	3,243.91	**3,618.26**
*Refer note 39 for disclosure on government grants.		
Details of Products Sold		
- Herbal Infusions	1,197.83	1,422.66
- Ayurvedic Medicines(Formulations)	947.30	1,103.03
- Psyllium	241.03	237.95
- Dehydrated Fruits & Vegtables	85.11	116.88
- Body Care	18.41	17.87
- Others	743.43	683.53
	3,233.11	**3,581.92**
Reconciliation of Revenue with Contracted Price		
Revenue as per contracted price	3,927.78	3,957.25
Adjustments		
Discounts and Rebates	658.72	352.67
Rebate for Expiry	35.95	22.66
	694.67	375.33
Revenue from contract with customers	**3,233.11**	**3,581.92**
The Table below represents summary of contracts and liabilities relating to the customers:		
Contract Assets : Trade Receivables	724.55	841.52
Contract Liabilities : Advance from customers	10.01	3.99
30 Other income		
Interest Income		
Bank Deposits	0.55	0.65
Loan	0.71	0.51
Debentures	14.31	16.62
Rewinding of Interest on Leased deposits measured at amortised cost	1.21	1.50
Others	2.36	3.44
Credit Balances Written Back	-	8.44
Net Gain arising on Forward Contracts & Options measured at FVTPL	-	7.37
Net Gain arising on Cross Currency Swaps measured at FVTPL	-	1.02
Foreign Exchange Gain	30.43	12.52
Provision for Doubtful Debts Written Back	-	1.00
Gain arising on disposal of Right of Use Assets	19.21	3.78
Provision for Sales Tax Forms Written Back	0.14	-
Provision for Asset Retirement Obligation written back	0.26	0.23
Excess Provision Written back	22.55	3.77
Miscellaneous Receipts	0.43	4.40
	92.16	**65.25**
31 Cost of materials consumed		
Opening Stock	212.83	173.44
Add: Purchases	801.57	906.55
	1,014.40	1,079.99
Less: Closing Stock	176.48	212.83
	837.92	**867.16**

(All amounts in INR million, unless otherwise stated)

32 (Increase) / Decrease in inventories of Finished Goods and Work-in-Progress

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
Opening inventory		
Finished Goods		
- Manufactured	180.25	202.45
- Traded	131.75	102.85
- Goods in Transit- Finished Goods	69.94	78.84
Work-in-Progress	168.32	134.13
	550.26	518.27
Closing inventory		
Finished Goods		
- Manufactured	153.70	180.25
- Traded	83.90	131.75
- Goods in Transit- Finished Goods	102.05	69.94
Work-in-Progress	142.06	168.32
	481.71	550.26
	68.55	**(31.99)**

33 Employee benefits expense

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
Salaries and wages	516.83	581.32
Contribution to Provident Fund & Other Funds	22.43	24.47
Contribution to Employee State Insurance Scheme	0.96	1.24
Employee Stock Options Compensation Expense	-	21.44
Employee Share Purchase Compensation Expense	1.58	0.57
Staff Welfare Expenses	19.86	19.38
	561.66	**648.42**

34 Finance costs

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
Interest Expense		
Term Loan	1.13	9.06
Loan Processing Charges	1.42	2.86
WCDL / Bank Overdraft *	81.05	52.13
Others	3.62	4.28
Unwinding of Discount on Asset Retirement Obligation	0.34	0.16
Lease Liability	8.25	16.19
	95.81	**84.68**
* This pertains to interest expense to OI (US) Holding LLC, Entity having common control	5.46	5.14

(All amounts in INR million, unless otherwise stated)

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
35 Other expenses		
Manufacturing Expenses		
Processing Expenses	3.63	8.23
Power & Fuel	29.24	27.65
Administrative Expenses		
Rent	120.60	74.09
Repair and maintenance		
- Building	16.78	8.26
- Computers, machinery and other equipments	34.75	29.01
- Others	47.38	15.42
Freight outward	225.66	216.08
Insurance (Net of Recovery)	26.20	26.87
Travelling Expenses (includes Conveyance and Vehicle Running)	66.64	49.43
Legal and Professional Expenses	205.99	151.36
Auditor's Remuneration (Refer Details Below)	4.89	3.27
Debit Balances written off	0.98	1.96
Communication Expenses	6.92	7.84
Corporate Social Responsibility Expenses	1.50	3.20
Bad Debt written off	31.74	16.40
Provision for Guarantee Expenses	6.23	-
Provision for Doubtful debts and advances	114.38	-
Provision for Non Moving Inventory	38.41	5.11
Provision for impairment of Investments	197.84	5.56
Obsolete Stock Written off	57.37	4.43
Inventory Disposal Expense	2.50	0.72
Provision for Obsolete Inventory	-	3.55
Provision for Impairment of Goodwill (refer note 50)	209.64	47.96
Certification Expenses	20.24	19.59
Product Liability	5.18	4.78
Community Development Expenses	0.47	1.05
Rates & Taxes	55.87	16.42
Lab Expenses (includes Testing Expenses)	35.51	23.58
Printing & Stationery	2.22	1.74
Security Charges	7.86	6.60
Donation	1.91	0.09
Net Loss arising on financial assets measured at FVTPL	-	46.67
Loss arising on Derivatives measured at FVTPL	54.50	-
Loss arising on Cross Currency Swaps measured at FVTPL	1.69	-
Loss on Sale/Discard of Property Plant and Equipment (Net)	2.35	0.42
Loss On Sale Of Govt. Incentive Scrips	0.80	3.21
Miscellaneous Expenses	8.38	14.17
Research and Development Expenses	0.56	0.39
Royalty	0.71	11.52
Business Support / Management Fee	33.90	86.26
Bank Charges	13.57	11.64
Selling Expenses		
Samples	43.52	48.15
Business Promotion	443.76	366.86
Commission and Brokerage	114.37	110.31
Total Other Expenses	**2,296.64**	**1,479.85**

Payments to Auditors		
- Audit Fee	4.84	1.88
- Goods & Services Tax Audit Fee	-	1.19
- Certification Expenses	0.05	0.20
Reimbursement of out of pocket expenses	-	-
Total	**4.89**	**3.27**

(All amounts in INR million, unless otherwise stated)

36 Tax expense

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
(a) Tax expense recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	(0.06)	(50.17)
Adjustments/(credits) related to previous years (net)	(0.22)	9.37
Total (A)	**(0.28)**	**(40.80)**
Deferred Tax		
Orignation and reversal of temporary differences(net of valuation allowance)	135.74	42.18
Attributable to Continuing Operations	135.74	42.18
Attributable to Discontinued Operations	-	23.96
Total (B)	**135.74**	**66.14**
Total (A+B)	**135.46**	**25.34**

(b) Movement in Deferred income tax (Expense) / Income, net

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
Stock Reserve on inter group sales	(2.23)	6.51
Depreciation and Amortization	47.56	30.77
Lease Liabilities	(24.89)	(10.82)
Bonus & Exgratia Payable	1.48	0.95
Provision for retirement benefits	(0.31)	0.07
Provision for Leave Encashment	0.65	0.54
Other Disallowances under section 43B of Income Tax Act	(0.21)	-
Provision for doubtful receivables and advances	35.00	-
Provision for Non Moving Inventory	8.50	1.46
Discounting of Security deposits	0.01	(0.21)
Discounting of Loans	1.76	14.76
Fair Value change in Investments	48.47	10.87
Guarantee Obligations	-	-
Asset Retirement Obligations	0.07	0.36
Reclass of deferred tax asset on gratuity*	0.05	(0.05)
Exchange Difference on translation of Foreign Operations	(4.76)	(1.26)
Fair Value Change in Derivative Intruments	7.31	(3.50)
Carried Forward Losses	(14.70)	10.72
Current Year Losses	31.84	-
Others	4.14	3.66
	139.74	**64.83**
Less: Impact taken to Other Comprehensive Income	(4.71)	(1.31)
Less: Impact of Additions on business combinations	-	-
Less Reversal of Adjustment on account of Restatement of Ind AS 116 (Refer Note)	8.71	-
Less: Impact of adoption of new accounting standard (Ind AS 115) taken to Retained Earnings	-	-
Net Deferred Tax (Expense) / Income recognised in Statement of Profit and Loss	**135.74**	**66.14**
Net Deferred Tax Expense/Income attributable to Continuing Operations	135.74	42.18
Net Deferred Tax Expense/Income attributable to Discontinued Operations	-	23.96

(c) Amounts recognised in Other Comprehensive Income

The tax (charge)/ credit arising on income and expenses recognised in Other Comprehensive Income is as follows:

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
On items that will not be reclassified to Profit or Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	0.05	(0.05)
Revaluation of Property, Plant & Equipment and Right of Use Assets	-	-
Exchange Difference on translation of Foreign Operations	(4.76)	(1.26)
Total	**(4.71)**	**(1.31)**

(d) Reconciliation of effective tax rate
The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For The Year Ended 31 March 2023	For The Year Ended 31 March 2022
Profit / (Loss) before tax	(1,013.19)	72.71
Tax using the Company's domestic tax rate (25.168%)*	(254.99)	(2.06)
Tax effect of:		
Non-deductible tax expenses		
Effect of tax related to expenses not deductible for income tax	0.19	12.24
Effect of tax related to previous years	0.22	(9.05)
Effect of Tax on Indexation	(2.95)	(3.43)
Effect of Tax on Elimination of Stock Reserve	2.23	(6.55)
Effect of Difference in rates	3.48	2.25
Effect of tax on loss of the subsidiary on which deferred tax not recognised	113.12	(4.50)
Others	3.25	(14.25)
	(135.45)	**(25.35)**

(d) Taxation of Overseas Subsidiary Company
(d) The Company follows accounting guidance for uncertainty in income taxes. After evaluating the tax positions taken, none are considered to be uncertain;

* Provision for income tax has been computed by considering that the Holding Company opts for payment of income tax as per the provisions of Section 115BAA of the Income Tax Act, 1961.

(All amounts in INR million, unless otherwise stated)

37 Contingent liabilities and commitments

	As at 31 March 2023	As at 31 March 2022
A Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debt		
- FSSAI Demands not provided for*	3.00	3.00
-Goods & service Tax demands not provided ##	1.52	1.52
-Income Tax demands under appeals not provided for**	113.55	113.55
- Labour law demand under appeals***	2.30	2.30
- VAT Demands not provided for#	-	17.50
- Civil Demands not provided for****	0.47	0.47

* Demands had been received from Food Safety and Standards Authority of India (FSSAI) by the Holding Company in the previous years against which adverse orders have been received by the Holding Company. However, no provision has been made for demand as the final order has not yet been issued by FSSAI and the Holding Company is hopeful to get favourable order in this regard.

Value Added Tax demands under appeals has been provided for during the year ended 31 March 2023.

Goods & service Tax demands not provided
The Goods & Service Tax Department has conducted routine audit for the period of 2017-18 in the State of Uttar Pradesh. After completion of the scrutiny and verification of documents and books of accounts, the department has imposed a penalty of Rs. 1.50 million + interest which is not provided in books as at March 31, 2022.

** - Income Tax demands under appeals not provided for includes certain demand with respect to prior years in addition to the following:

a) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2017-18 amounting to INR 22.87 Million, out of which INR 4.57 Million has been deposited with the department and an appeal against the said order has been filed before the Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

*** Few ex-employees of the Holding Company had filed complaints in Industrial/Labour Court of Lucknow against the Holding Company challenging their termination and no provision has been made for the said demands in the books as the Holding Company has represented to the authorities and is hopeful of getting a favourable order in this regard.

**** A vendor has filed a recovery suit against the Holding Company for non payment of the goods rejected and returned to them and no provision has been made for the demand in the books as the Holding Company has contested the same and is hopeful of getting a favourable order in this regard.

(b) The Holding Company has received a notice from the Enforcement Directorate, FEMA Lucknow for investigation under the provisions of Foreign Exchange Management Act,1999 with respect to the Foreign Direct Investments(FDI) received during the Financial Year 2006-07 to Financial Year 2008-09. No liability is likely to arise in this regard as the Holding Company has satisfactorily replied against the said notice received from the said authority.

B Capital and Other Commitments:

	As at 31 March 2023	As at 31 March 2022
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	88.26	6.31

(b) Lease Commitments:
The Group has entered into operating leases for its stores/retail outlets and office premises at various locations across India. The lease commitments (Minimum Lease Payments) towards non cancellable leases is not applicable as the lease payments have been considered in lease liability as per Ind AS - 116.:

38 Earnings per equity share
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding 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 of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the year in respect of dilutive potential equity shares 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:

	For the year ended 31March 2023	For the year ended 31March 2022
Weighted average number of equity shares for Basic EPS		
Weighted average number of equity shares (Nos.)	82,702,497	82,702,497
Nominal value of equity shares	10	10
Profit after tax from continuing operations attributable to equity holders of the Holding Company	(880.58)	65.24
Earnings per equity share		
-basic	(10.65)	0.79
-diluted	(10.65)	0.79
(Loss) after tax from discontinued operations attributable to equity holders of the Holding Company	(39.08)	(8.35)
Earnings / (Loss) per equity share		
-basic	(0.47)	(0.10)
-diluted	(0.47)	(0.10)
Profit / (Loss) after tax from continuing and discontinued operations attributable to equity holders of the Holding	(919.66)	56.89
Earnings per equity share		
-basic	(11.12)	0.69
-diluted	(11.12)	0.69
Weighted average number of equity shares for Diluted EPS		
Number of shares considered as weighted average shares outstanding for Basic EPS	82,702,497	82,702,497
Add: Effect of Stock Options Granted	-	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	82,702,497	82,702,497

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

39 Government grants

The Holding Company has recognised INR 10.81 million and INR 36.34 million for Duty Drawback / Export Incentives in the Consolidated Statement of Profit and Loss for the year ended 31 March, 2023 and 31 March, 2022 respectively . There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Consolidated Statement of Profit and loss.

Organic India Private Limited
Notes Annexed To And Forming Part Of The Consolidated Financial Statements
For The Year Ended 31 March 2023
(All amounts in INR million, unless otherwise stated)

40 SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The operating segments have been identified as different business carried namely Organic Herbal Products and Research & Development activities and the environment in which the Group operates within India and outside India.

a) Information about Geographical Segments:

As at 31 March 2023

Particulars	Organic Herbal Products		Total
	Business in India	Overseas Business	
Segment Revenue			
Sale of products:			
- External Sales	1,931.06	1,302.05	3,233.11
- Inter - Segment Sales	534.13	-	534.13
- Duty Drawback Received / Export Incentives / Paycheck Protection Program Forgiveness	10.80	-	10.80
Gross Turnover	**2,475.99**	**1,302.05**	**3,778.04**
Inter - Segment Transfers	(534.13)	-	(534.13)
Net Turnover	**1,941.86**	**1,302.05**	**3,243.91**
Gain arising on disposal of Right of Use Assets	16.02	3.19	19.21
Other Income	72.07	0.88	72.95
Net revenue from operations	**2,029.95**	**1,306.12**	**3,336.07**
Segment Result before interest & taxes	**(485.22)**	**(432.11)**	**(917.33)**
Interest on Term Loan	(1.13)	-	(1.13)
Interest on Overdraft	(81.05)	-	(81.05)
Interest on Security Deposit	(3.62)	-	(3.62)
Interest on Lease Liability	(6.50)	(1.75)	(8.25)
Others	(0.34)	(1.42)	(1.76)
Segment Result before taxes	**(577.86)**	**(435.28)**	**(1,013.14)**
Current Tax	-	(0.06)	(0.06)
Tax Paid for Earlier Years	9.37	(0.22)	9.15
Deferred Tax Income/(Expense)	135.75	(0.01)	135.74
Profit After Taxes	**(432.74)**	**(435.57)**	**(868.31)**
Segment Assets	3,109.21	624.78	3,733.99
Segment Liabilities	1,564.28	596.50	2,160.78
Depreciation/Amortization during the year	137.12	14.88	152.00
Impairment during the year (refer note 50)	-	209.64	209.64
Capital Expenditures including during the year	134.50	24.22	158.72

As at 31 March 2022

Particulars	Organic Herbal Products		Total
	Business in India	Overseas Business	
Segment Revenue			
Sale of products:			
- External Sales	2,127.13	1,688.34	3,815.47
- Inter - Segment Sales	674.18	-	674.18
- Duty Drawback Received / Export Incentives / Paycheck Protection Program Forgiveness	36.34	-	36.34
Gross Turnover	**2,837.64**	**1,688.34**	**4,525.99**
Inter - Segment Transfers	(674.18)	-	(674.18)
Net Turnover	**2,163.47**	**1,688.34**	**3,851.81**
Gain arising on disposal of Right of Use Assets	3.78	-	3.78
Other Income	59.06	2.61	61.67
Net revenue from operations	**2,226.31**	**1,690.95**	**3,917.26**
Segment Result before interest & taxes	**109.87**	**(32.69)**	**77.18**
Interest on Term Loan	(9.06)	-	(9.06)
Interest on Overdraft	(52.13)	-	(52.13)
Interest on Security Deposit	(4.28)	-	(4.28)
Interest on Lease Liability	(15.66)	(1.23)	(16.89)
Others	(0.16)	(2.86)	(3.02)
Segment Result before taxes	**28.58**	**(36.78)**	**(8.20)**
Current Tax	(49.71)	(0.46)	(50.17)
Tax Paid for Earlier Years	9.37	-	9.37
Deferred Tax Income/(Expense)	47.48	18.69	66.17
Profit After Taxes	**35.71**	**(18.55)**	**17.16**
Segment Assets	3,597.99	905.11	4,503.10
Segment Liabilities	1,593.25	398.80	1,992.05
Depreciation/Amortization during the year	166.50	39.44	205.94
Impairment during the year (refer note 50)	-	47.96	47.96
Capital Expenditures including during the year	93.74	62.47	156.21

(All amounts in INR million, unless otherwise stated)

b) Entity wise disclosures are as under:

	31 March 2023	31 March 2022
Sale of Products		
- by the Holding Company	1,931.06	2,196.16
- by the Overseas Subsidiary	1,302.04	1,385.76
	3,233.10	3,581.92
Details of Non Current Asset		
- held with the Holding Company	1,590.91	1,673.32
- held with the Overseas Subsidiary	12.51	346.28
	1,603.42	2,019.60

c) Information about major customers

The Group did revenue from the following customer(s) which exceeded 10% of total revenue :-

Name of Customer	Share of Total Revenue (in percentage)	
	31st March, 2023	**31st March, 2022**
	-	-

(All amounts in INR million, unless otherwise stated)

41 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

Financial instruments by category as at 31 March 2023

	31 March 2023				
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Investments(Non current)	-	-	-	-	-
Investments(current)	-	-	-	-	-
Loans(Non Current)	-	-	8.77	8.77	8.77
Other Financial Assets(Non Current)	-	-	15.23	15.23	15.23
Trade receivables	-	-	587.52	587.52	587.52
Cash and Cash equivalents	-	-	41.98	41.98	41.98
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	7.76	7.76	7.76
Loans(Current)	-	-	17.20	17.20	17.20
Other Financial Assets (Current)	-	-	12.61	12.61	12.61
TOTAL	**-**	**-**	**691.07**	**691.07**	**691.07**
Financial liabilities					
Borrowings(Non Current)	-	-	250.49	250.49	250.49
Lease liabilities - Non Current	-	-	54.80	54.80	54.80
Other Financial Liabilities(Non Current)	4.98	-	36.64	41.62	41.62
Borrowings(Current)	-	-	1,104.24	1,104.24	1,104.24
Lease liabilities - Current	-	-	19.14	19.14	19.14
Trade payables	-	-	397.70	397.70	397.70
Other Financial Liabilities (Current)	21.89	-	103.64	125.53	125.53
TOTAL	**26.87**	**-**	**1,966.65**	**1,993.52**	**1,993.52**

Financial instruments by category as on 31 March 2022

	31 March 2022				
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Investments(Non current)	187.21	-	-	187.21	187.21
Investments(current)	-	-	-	-	-
Loans(Non Current)	-	-	29.12	29.12	29.12
Other Financial Assets(Non Current)	1.67	-	21.68	23.35	23.35
Trade receivables	-	-	789.97	789.97	789.97
Cash and Cash equivalents	-	-	86.88	86.88	86.88
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	3.47	3.47	3.47
Loans(Current)	-	-	24.41	24.41	24.41
Other Financial Assets (Current)	9.20	-	17.57	26.77	26.77
TOTAL	**198.08**	**-**	**973.10**	**1,171.18**	**1,171.18**
Financial liabilities					
Borrowings(Non Current)	-	-	128.61	128.61	128.61
Lease liabilities - Non Current	-	-	181.87	181.87	181.87
Other Financial Liabilities(Non Current)	1.98	-	37.65	39.63	39.63
Borrowings(Current)	-	-	822.96	822.96	822.96
Lease liabilities - Current	-	-	38.54	38.54	38.54
Trade payables	-	-	585.73	585.73	585.73
Other Financial Liabilities (Current)	6.76	-	109.09	115.86	115.86
TOTAL	**8.74**	**-**	**1,904.45**	**1,913.19**	**1,913.19**

Trade receivables comprise amounts receivable from the sale of goods and services. The Management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Holding Company. The carrying amount of these assets approximates their fair value.

Loans (Non Current) comprise of loan given to employees which have been discounted and the same approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.

Borrowings comprises of loan from bank and the fair value is considered to be same as the carrying value being at market rates.

Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.

Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value As at 31 March 2023

	Measured at Fair Value through Profit and Loss			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	-	-
Other Financial Asssets	-	-	-	-
	-	-	-	-

	Measured at Fair Value through Profit and Loss			
	Level 1	Level 2	Level 3	Total
Financial Liabilities:				
Other Financial Liabilities	-	26.86	-	26.86
	-	**26.86**	**-**	**26.86**

Financial assets and liabilities measured at fair value As at 31 March 2022

	Measured at Fair Value through Profit and Loss			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	187.21	187.21
Other Financial Asssets	-	10.87	-	10.87
	-	**10.87**	**187.21**	**198.08**

	Measured at Fair Value through Profit and Loss			
	Level 1	Level 2	Level 3	Total
Financial Liabilities:				
Other Financial Liabilities	-	8.74	-	8.74
	-	**8.74**	**-**	**8.74**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	25.97	25.97
Trade receivables	-	-	587.52	587.52
Cash and Cash equivalents	-	-	41.98	41.98
Bank balances other than above	-	-	7.76	7.76
Other Financial Assets	-	-	27.83	27.83
	-	**-**	**691.06**	**691.06**

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	1,354.73	1,354.73
Lease Liabilities	-	-	73.93	73.93
Trade payables	-	-	397.70	397.70
Other Financial Liabilities	-	-	140.29	140.29
	-	**-**	**1,966.65**	**1,966.65**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	53.54	53.54
Trade receivables	-	-	789.97	789.97
Cash and Cash equivalents	-	-	86.88	86.88
Bank balances other than above	-	-	3.47	3.47
Other Financial Assets	-	-	39.24	39.24
	-	**-**	**973.10**	**973.10**

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	951.58	951.58
Lease Liabilities	-	-	220.41	220.41
Trade payables	-	-	585.72	585.72
Other Financial Liabilities	-	-	146.74	146.74
	-	**-**	**1,904.45**	**1,904.45**

(ii) Measurement of fair values

The different levels of fair value have been defined below:
Level 1: This hierarchy includes financial instruments measured using quoted prices/net assets value in case of mutual funds.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There have been no transfers in either direction for the year ended 31 March, 2023 and 31 March, 2022.

(iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis/net asset value method.

The fair valuation of swaps and options are based on valuations performed by an accredited external independent valuer. The valuer is a specialist in valuing these types of instruments. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The fair valuations of foreign currency option is determined based on the option pricing model (eg Black-Scholes model), and fair valuation of cross currency swap is determined based on the present value of the estimated future cash flows taking observable inputs for the valuations.

(iv) Significant unobservable Inputs:

The Independent valuer has made detailed study based on standards methodology for valuation and have not taken any significant unobservable inputs for valuation of options and swaps on reporting date.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Signicant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Optionally Convertible Debenture	Valuation of OCD is conducted based on the Probability-weighted Scenario Method, which assumes the following two Scenarios: 1. Redemption of NCD (Scenario - 1): (Weightage : 5%) The valuation in this scenario has been derived based on conversion of OCD into Non-Convertible Debentures ('NCD') and discounting of cash flows (DCF Method) to be arrived from redemption of NCD and cumulative interest as per the terms of the agreement and management expectation w.r.t redemption of NCD. The arrived cash flows from redemption is to be discounted at appropriate discount rate. 2. Conversion of OCD (Scenario - 2): (Weightage : 95%) The valuation in this scenario has been derived based on discounting Future Free Cash Flow to Firm (FCFF) and expected Terminal Value of Business after March 31, 2027 of the company based on the business projections. The arrived FCFE has been discounting at appropriate discount rate. Valuation of OCD is considered on 'going concern' basis in both of the scenario and the value arrived in each scenario is weighted according to expected probability/weight of a particular scenario as on valuation date to arrive fair value of OCD.	Key Inputs to Business Model: - Risk free rate : 7.04% - Equity risk premium : 9.02% - Size premium & Company specific risk premium : 6% - Cost of equity (Ke) / Discount Rate : 22.06%	(a). Risk free rates are referred from ZCYC spot rates (t = 40 Yrs.) at the valuation date. (b). Equity Risk Premium has been analysed based on the Historical BSE Sensex Return less R(f) estimated above. (c). Size premium has been kept at 200 basis points through analysing the company size and industry standards. Further, company specific risk premium is based on the risk profile of the company which has been analysed taking factors such as revenue growth, financial risk, operational risk, profitability, industry risk, economic risk and customer concentration into consideration. Appropriate weights are provided to each of the factors based on the valuer judgement and arrived at company specific risk premium to be 400 basis points. However, both size premium and company specific risk premium are subjective in assessment and are based on the individual valuer judgement analysing the risk associated with the asset under valuation.

(All amounts in INR million, unless otherwise stated)

42 Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. The risk management policies are established to identify and analyse the risk faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The Group's board oversees how management monitors compliance with Group's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risk faced by the Group.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortized cost.	Ageing analysis	Diversification of bank deposits, credit limits and credit worthiness
Liquidity Risk	All financial liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market Risk - Foreign Exchange	Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecast Sensitivity Analysis	Forward Contracts, Option Contracts/Derivatives and Cross Currency Swap

i. Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group’s maximum exposure to credit risk associated with the trade and other receivables.

Trade and other receivables
The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Wherever the Group assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of trade receivables from the date, credit was initially granted upto the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the management believes that there is no further credit provision required in excess of the allowance for doubtful debts. Management has assessed the advances and other receivables for impairment and has concluded that appropriate provision has been made for the doubtful advances and balance are fully recoverable in the normal course of business.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-Mar-23	31-Mar-22
Trade and other receivable	770.17	895.07
Trade and other receivable - discontiued opreations	124.90	-
Less: Allowance for expected credit loss	(168.07)	(51.55)
	727.00	**843.52**

Movement in the allowance for impairment in respect of trade and other receivables

	31-Mar-23	31-Mar-22
Opening Balance	51.55	52.47
Less: Allowance written back (net of creation) during the year	(116.50)	0.92
Closing Balance	**168.07**	**51.55**

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Group enters into the Derivative Contracts with the reputed Banks.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to manage liquidity is to ensure, availability of funding through an adequate amount of credit facilities to meet obigations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.
Management monitors rolling forecasts of the Group's liquidity position i.e. cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities
The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2023

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	397.70	-	-	397.70
Long term borrowings	12.89	250.49	-	263.38
Short term borrowings	1,091.35	-	-	1,091.35
Security deposits received	50.56	36.65	-	87.21
Forwards Contracts/Options and Swap Payables	21.89	4.98	-	26.87
Payable for capital goods	6.76	-	-	6.76
Lease Liability	24.32	48.02	22.63	94.97
Interest accrued but not due	4.21	-	-	4.21
Other Accruals	42.11	-	-	42.11
	1,651.79	**340.14**	**22.63**	**2,014.56**

As at 31 March 2022

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	585.74	-	-	585.74
Long term borrowings	116.56	128.61	-	245.18
Short term borrowings	706.40	-	-	706.40
Security deposits received	56.03	37.65	-	93.68
Forwards Contracts/Options and Swap Payables	6.76	1.98	-	8.74
Payable for capital goods	3.38	-	-	3.38
Lease Liability	55.06	174.50	52.34	281.89
Interest accrued but not due	2.21	-	-	2.21
Other Accruals	47.47	0.00	-	47.47
	1,579.61	342.74	52.34	1,974.69

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The Group's interest rate risks are covered by cross currency swaps. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

Currency risk

The Group operates internationally and transacts in foreign currencies and consequently the Group is exposed to foreign exchange risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee.The Group's exposure in respect of foreign currency are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Group enters in to derivative financial instruments i.e. forward foreign exchange contracts and forward option contracts for foreign currency risk mitigation.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2023 and 31 March, 2022 is as below:

	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-22
	Amount in INR Million	USD	EURO	AUD	NZD	GBP	SGD	HKD	AED
Financial assets									
Trade Receivables	517.44	5,440,138	418,301	333,922	133,724	77,221	-	-	-
Advance to Supplier	9.51	114,083	565	1,500	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-
Others	1.64	-	18,315	-	-	-	-	-	-
	528.59	5,554,221	437,181	335,422	133,724	77,221	-	-	-
Financial liabilities									
Trade Payables	21.58	101,657	80,476	95,148	-	-	-	-	35,629
Advance from Customer	23.90	147,737	93,167	3,060	63,419	-	-	-	-
Short Term Borrowings	582.34	6,900,000	172,800	-	-	-	-	-	-
Long Term Borrowings	123.71	1,505,681	-	-	-	-	-	-	-
	751.53	8,655,075	346,443	98,208	63,419	-	-	-	35,629

	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
	Amount in INR Million	USD	EURO	AUD	NZD	GBP	SGD	HKD	AED
Financial assets									
Trade Receivables	174.46	1,267,222	527,870	395,081	78,632	77,221	-	-	-
Advance to Supplier	8.75	93,855	4,352	22,595	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
	183.21	1,361,077	532,222	417,676	78,632	77,221	-	-	-
Financial liabilities									
Trade Payables	14.43	42,885	39,217	126,380	-	-	-	-	35,000
Advance from Customer	1.51	20,003	-	-	-	-	-	-	-
Short Term Borrowings	35.78	472,909	-	-	-	-	-	-	-
Long Term Borrowings	81.27	1,074,219	-	-	-	-	-	-	-
	132.99	1,610,016	39,217	126,380	-	-	-	-	35,000

The following significant exchange rates (in INR) have been applied during the year

	Year-end spot rate	Year-end spot rate
	31-Mar-23	31-Mar-22
USD	82.16	75.65
EURO	89.37	84.10
AUD	55.03	56.68
NZD	51.47	52.55
GBP	101.61	99.37
SGD	54.98	54.98
HKD	9.64	9.65
AED	22.37	20.60

Sensitivity analysis

A reasonably possible strengthening / weakening of the respective foreign currencies with respect to the functional currency of Company would result in increase or decrease in profit or loss and equity as shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

	Profit or loss		**Equity, net of tax**	
Effect in INR on 5% movement	Strengthening	Weakening	Strengthening	Weakening
3/31/2023				
USD	(12.74)	12.74	(9.53)	9.53
EURO	0.41	(0.41)	0.30	(0.30)
AUD	0.65	(0.65)	0.49	(0.49)
NZD	0.18	(0.18)	0.14	(0.14)
GBP	0.39	(0.39)	0.29	(0.29)
AED	(0.04)	0.04	(0.03)	0.03
	(11.15)	11.15	(8.34)	8.34

	Profit or loss		**Equity, net of tax**	
Effect in INR on 5% movement	Strengthening	Weakening	Strengthening	Weakening
3/31/2022				
USD	(0.94)	0.94	(0.70)	0.70
EURO	2.07	(2.07)	1.55	(1.55)
AUD	0.83	(0.83)	0.62	(0.62)
NZD	0.21	(0.21)	0.15	(0.15)
GBP	0.38	(0.38)	0.29	(0.29)
AED	(0.04)	0.04	(0.03)	0.03
	2.51	(2.51)	1.87	(1.87)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate exposure

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Variable rate borrowings	1,215.06	822.96
Fixed rate borrowings	139.67	128.61
Total borrowings	**1,354.73**	**951.57**

Interest rate sensitivity analysis

Profit or loss and equity is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Interest rates increase by 0.5%	6.08	4.11
Interest rates decrease by 0.5%	(6.08)	(4.11)
Total borrowings	**-**	**-**

Derivative financial instruments

The Group holds derivative financial instruments such as cross currency swaps, foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details of outstanding cross currency swaps and foreign currency forward and options contracts as on 31st March, 2023 and 31st March, 2022:

Type of Derivative	**As at 31 March 2023**		**As at 31 March 2022**	
	Amount in Foreign Currency	**Amount in INR Million**	**Amount in Foreign Currency**	**Amount in INR Million**
Cross Currency Swap				
- In USD	-	-	545,166	41.24
	-	**-**	**545,166**	**41.24**
Forward Contracts				
To Sell				
- In USD	10,457,600	1,195.28	12,700,000	998.75
- In Euros	-	-	-	-
	10,457,600	**1,195.28**	**12,700,000**	**998.75**
To Buy				
- In USD	-	-	2,092,597	160.00
	-	**-**	**2,092,597**	**160.00**
Forward Option Contracts				
To Buy				
- In USD	-	-	1,074,219	76.38
	-	**-**	**1,074,219**	**76.38**
To Sell				
- In USD	-	-	-	-
	-	**-**	**-**	**-**

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining year as at 31st March, 2022 and 31st March, 2021 :

31 March 2023

Particulars	Cross Currency Swaps		Option Contracts to Buy		Option Contracts to Sell	
	In USD	In INR Million	In USD	In INR Million	In USD	In INR Million
Not later than one year	-	-	-	-	-	-
Later than one year but not later than two year	-	-	-	-	-	-
Later than two year but not later than three year	-					
Total	**-**	**-**	**-**	**-**	**-**	**-**

31 March 2022

Particulars	Cross Currency Swaps		Option Contracts to Buy		Option Contracts to Sell	
	In USD	In INR Million	In USD	In INR Million	In USD	In INR Million
Not later than one year	545,166	41.24	1,074,219	76.38	-	-
Later than one year but not later than two year	-	-	-	-	-	-
Later than two year but not later than three year	-					
Total	**545,166**	**41.24**	**1,074,219**	**76.38**	**-**	**-**

The table below analyzes the relevant maturity groupings of the forward exchange contracts based on the remaining year as at 31st March, 2023 and as at 31st March, 2022:

31 March 2023

Particulars	Contracts to Sell			Contracts to Buy		
	In USD	In Euro	In INR Million	In USD	In Euro	In INR Million
Not later than one year	7,657,600	-	633.00	-	-	-
Later than one year but not later than two year	2,800,000	-	562.28	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	**10,457,600**	**-**	**1,195.28**	**-**	**-**	**-**

31 March 2022

Particulars	Contracts to Sell			Contracts to Buy		
	In USD	In Euro	In INR Million	In USD	In Euro	In INR Million
Not later than one year	7,300,000	-	568.41	2,092,597	-	160.00
Later than one year but not later than two year	5,400,000	-	430.34	-	-	-
Later than two year but not	-	-	-	-	-	-
Total	**12,700,000**	**-**	**998.75**	**2,092,597**	**-**	**160.00**

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

Management of the Group has ensured that net worth of the Group has increased and profit from operations of the Group has been utilised further in the operations of the Group.

	31-Mar-2023	31-Mar-2022
Total Assets	3,734.15	4,503.39
Total Liabilities	2,160.98	1,992.34
Net Worth	**1,573.17**	**2,511.05**

The Group determines the amount of capital required on the basis of actual business plans coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.
No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2023 and 31 March, 2022.

The Group monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Group:

Capital	**31-Mar-2023**	**31-Mar-2022**
Long Term Borrowings	250.49	128.61
Short Term Borrowings	1,104.24	822.96
Total Debt	**1,354.73**	**951.57**
Equity Share Capital	827.02	827.02
Other Equity	588.68	1,504.86
Non Controlling Interest	157.47	179.17
Total Equity	**1,573.17**	**2,511.05**
Debt-Equity Ratio	**0.86**	**0.38**

*Lease liabilities recognised as per Ind AS 116 is not included in Total Debt

Dividends	**31-Mar-2023**	**31-Mar-2022**
Dividends not recognized at the end of the reporting year	-	-

In addition to the above dividends, since year end the directors have not proposed any payment of a dividend for the year ended 31 March 2023 and 31 March 2022.

(All amounts in INR million, unless otherwise stated)

44 RELATED PARTY DISCLOSURES

A Names of Related parties where control exists

Ultimate Holding Company
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)

Fellow Subsidiary Company
- M/s Fabcafe Foods Private Limited

Associate Company
- M/s Nutriwel Health (India) Private Limited

Key Management Personnel

Mr. Yoav Lev	Non - Executive Director
Mr. Dinesh Kumar	Executive Director (resigned w.e.f 23rd July 2022)
Mr. Vikram Singh	Non - Executive Director
Mr. Mukesh Kumar Chauhan	Executive Director w.e.f 21st June 2022
Mrs. Elizabeth Nanda	Non - Executive Director
Mr Subrata Dutta	Managing Director (resigned w.e.f 30th September 2022)
Mr. Pankaj Pachauri	Non - Executive Director
Mr. Laurent Chappuis	Non - Executive Director
Mr. William Nanda Bissell	Executive Director w.e.f 21st June 2022
Mrs. Holly B Lev	Non - Executive Director
Mr. Rahul Garg	Non - Executive Director w.e.f 21st June 2022
Mrs. Monsson Latane Bissell	Non - Executive Director (w.e.f. 13th December 2021)
Mr. Richard Celeste	Independent Non - Executive Director of Subsidiary Company and Holding Company(w.e.f 13th December 2021)
Mr. Richard Baskin	Independent Non-Executive Director of Subsidiary Company
Dr. Alejandro Junger	Executive Director of Subsidiary Company
Ms. Dipali Patwa	Independent Non - Executive Director of Subsidiary Company
Ms. Pooja Kothari	Independent Non - Executive Director (appointed w.e.f. 21st June 2022)
Mr. Balram Singh	Managing Director (appointed w.e.f 1st October 2022)
Mr. Vikash	Chief Financial Officer (Designated as KMP w.e.f. 22nd October 2021 and resigned w.e.f. 14th April 2023)
Mr. Alok Kumar	Company Secretary (Designated as KMP w.e.f. 22nd October 2021)
Mr. Miguel Gil	Chief Executive Officer of Subsidiary Company
Mr. Vivek Rishi	Chief Financial Officer (w.e.f. 1st May 2023)

Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year
- M/s OI (India) Holding, LLC
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited
- M/s LEV True Wellness Private Limited
- M/s Organic India Farmers Producer Company Limited
- M/s OI (US) Holdings, LLC
- M/s Organic India Foundation

B Summary of related party transactions

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Sale of Goods	122.32	142.36	2.07	11.50	-	0.09	-	-	124.39	153.95
Purchase of Raw Material	-	-	-	-	84.22	89.81	-	-	84.22	89.81
Interest Income	-	-	10.72	10.72	-	-	-	0.23	10.72	10.95
Royalty income	-	-	-	0.02	-	-	-	-	-	0.02
Reimbursement of processing Fee Herbs	-	-	-	-	-	0.10	-	-	-	0.10
Directors Remuneration	-	-	-	-	-	-	71.84	83.44	71.84	83.44
Director Commission	-	-	-	-	-	-	-	28.40	-	28.40
Interest on ESPS Loan	-	-	-	-	-	-	1.59	2.50	1.59	2.50
Legal and Professional Expenses	-	-	-	0.45	-	-	3.00	2.65	3.00	3.10
Issue and Allotment of Equity Shares	-	-	-	-	-	-	0.01	0.03	0.01	0.03
Security Deposit Paid	0.61	1.69	-	-	-	-	-	-	0.61	1.69
Margin difference Claim	19.55	2.84	-	-	-	-	-	-	19.55	2.84
Rent	13.03	27.31	-	-	-	-	-	-	13.03	27.31
Royalty	-	10.23	-	-	-	-	-	0.13	-	10.36
Reimbursement of IPO Expenses	16.31	-	0.08	-	-	-	-	-	16.39	-
Reimbursement of Expenses	8.01	4.53	-	-	-	0.86	4.98	0.58	12.99	5.96
Freight Expenses	-	-	0.55	0.67	-	-	-	-	0.55	0.67
Travelling Expenses	-	-	-	-	-	-	1.21	1.15	1.21	1.15
Business Support Expenditure	33.90	85.38	-	-	-	-	-	-	33.90	85.38
Purchase of Fixed Asset	-	0.12	-	-	-	-	-	-	-	0.12
Miscellaneous Receipts	-	0.83	-	-	-	-	-	-	-	0.83
Corporate Social Responsibility Expenses	-	-	-	-	1.50	3.20	-	-	1.50	3.20
Loan repayment received during the year	-	-	-	-	-	-	0.97	0.30	0.97	0.30
Loan repayment made during the year	-	-	-	-	-	18.51	-	-	-	18.51
Interest on Loan	-	-	-	-	5.46	5.14	-	-	5.46	5.14

(All amounts in INR million, unless otherwise stated)

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Balances Outstanding										
Receivables	6.85	41.67	161.75	151.32	1.15	13.75	20.46	31.48	190.22	238.21
Payables	5.99	149.39	0.30	0.24	142.47	129.90	3.02	0.28	151.78	279.81

Terms and conditions:

1. All transactions with these related parties are priced on an arm's length basis.
2. None of the balances outstanding are secured.
3. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Compensation of Key Management Personnel

The remuneration of director and other member of Key Management Personnel during the year was as follows:

Particulars	31 March 2023	31 March 2022
Short-Term Benefits	76.03	115.65
Post-Employment Benefits	-	-
Other Long-Term Benefits	-	-
Share-Based Payments	0.03	0.03
Termination Benefits	-	-
Dividend Paid	-	-
Total	**76.06**	**115.68**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting year related to key management personnel.

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C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Sale of Goods										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	122.32	142.36	-	-	-	-	-	-	122.32	142.36
- M/s Nutriwel Health (India) Private Limited	-	-	2.07	11.50	-	-	-	-	2.07	11.50
- M/s Ganga Yamuna Agro Technologies and Plan	-	-	-	-	-	0.05	-	-	-	0.05
- M/s LEV True Wellness Private Limited	-	-	-	-	-	0.04	-	-	-	0.04
Purchase of Raw Material										
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	2.86	2.99	-	-	2.86	2.99
- M/s Organic India Farmers Producer Co. Limite	-	-	-	-	10.95	5.85	-	-	10.95	5.85
- M/s LEV True Wellness Private Limited	-	-	-	-	70.41	80.98	-	-	70.41	80.98
Interest Income										
- M/s Nutriwel Health (India) Private Limited	-	-	10.72	10.72	-	-	-	-	10.72	10.72
- Dr. Alejandro Junger	-	-	-	-	-	-	-	0.23	-	0.23
Royalty Income										
- M/s Nutriwel Health (India) Private Limited	-	-	-	0.02	-	-	-	-	-	0.02
Reimbursement of processing Fee Herbs										
- M/s Organic India Farmers Producer Co. Limite	-	-	-	-	-	0.10	-	-	-	0.10
Directors Remuneration / Sitting Fees										
- Mr. Dinesh Kumar	-	-	-	-	-	-	1.38	2.12	1.38	2.12
- Mr. Alok Kumar	-	-	-	-	-	-	2.70	1.12	2.70	1.12
- Mr. Vikash	-	-	-	-	-	-	7.71	2.97	7.71	2.97
- Mr. Subrata Dutta	-	-	-	-	-	-	16.00	25.97	16.00	25.97
- Mr. Balram Singh	-	-	-	-	-	-	4.33	-	4.33	-
- Mr. Laurent Chappuis	-	-	-	-	-	-	7.72	-	7.72	-
- Mrs. Holly B Lev	-	-	-	-	-	-	1.25	-	1.25	-
- Mr. Rahul Garg	-	-	-	-	-	-	1.54	-	1.54	-
- Mr. Richard Frank Celeste	-	-	-	-	-	-	2.69	2.76	2.69	2.76
- Mr. Monsson Latane Bissell	-	-	-	-	-	-	1.20	-	1.20	-
- Ms. Pooja Kothari	-	-	-	-	-	-	1.18	-	1.18	-
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	1.20	-	1.20	-
- Dr. Alejandro Junger	-	-	-	-	-	-	-	18.67	-	18.67
- Mr. Miguel Gil	-	-	-	-	-	-	20.44	27.41	20.44	27.41
- Mr. Yoav Lev	-	-	-	-	-	-	1.30	-	1.30	-
- Ms. Dipali Patwa	-	-	-	-	-	-	1.20	2.42	1.20	2.42
Directors Commission										
- Mr. Yoav Lev	-	-	-	-	-	-	-	8.00	-	8.00
- Mrs. Holly B Lev	-	-	-	-	-	-	-	8.00	-	8.00
- Mr. Laurent Chappuis	-	-	-	-	-	-	-	1.40	-	1.40
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	-	2.80	-	2.80
- Mr. Subrata Dutta	-	-	-	-	-	-	-	8.20	-	8.20
Interest on ESPS Loan										
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	0.02	-	0.02
- Mr. Subrata Dutta	-	-	-	-	-	-	1.30	2.38	1.30	2.38
- Mr. Balram Singh							0.07	-	0.07	-
- Mr. Alok Kumar	-	-	-	-	-	-	0.03	0.02	0.03	0.02
- Mr. Vikash	-	-	-	-	-	-	0.19	0.08	0.19	0.08
Legal and Professional Expenses										
- M/s Nutriwel Health (India) Private Limited	-	-	-	0.45	-	-	-	-	-	0.45
- Mr. Vikram Singh	-	-	-	-	-	-	1.80	1.45	1.80	1.45
- Mr. Pankaj Pachauri	-	-	-	-	-	-	1.20	1.20	1.20	1.20
Issue and Allotment of Equity Shares										
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	0.03	-	0.03
- Mr. Alok Kumar							0.01	-	0.01	-
Security Deposit Paid										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	0.61	1.69	-	-	-	-	-	-	0.61	1.69

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C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Margin Differene Claim										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	19.55	2.84	-	-	-	-	-	-	19.55	2.84
Rent										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	13.03	27.31	-	-	-	-	-	-	13.03	27.31
Royalty										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	-	10.23	-	-	-	-	-	-	-	10.23
- Dr. Alejandro Junger	-	-	-	-	-	-	-	0.13	-	0.13
Reimbursement of IPO Expenses										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	16.31	-							16.31	-
- M/s Nutriwel Health (India) Private Limited			0.08						0.08	-
Reimbursement of Expenses										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	8.01	4.53	-	-	-	-	-	-	8.01	4.53
- M/s LEV True Wellness Private Limited	-	-	-	-	-	0.86	-	-	-	0.86
- Mr. Alok Kumar	-	-	-	-	-	-	0.81	0.57	0.81	0.57
- Mr. Vikash	-	-	-	-	-	-	0.19	0.01	0.19	0.01
- Mr. William Nanda Bissell							0.40	-	0.40	-
- Mr. Mukesh Chauhan							0.24	-	0.24	-
- Mr. Laurent Chappuis							3.34	-	3.34	-
Freight Outward										
- M/s Nutriwel Health (India) Private Limited	-	-	0.55	0.67	-	-	-	-	0.55	0.67
Travelling Expenses										
- Mr. Subrata Dutta	-	-	-	-	-	-	1.08	1.15	1.08	1.15
- Mr. Balram Singh							0.13	-	0.13	-
Business Support Expenditure										
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	33.90	85.38	-	-	-	-	-	-	33.90	85.38
Purchase of Fixed Asset										
- M/s Fabindia Overseas Private Limited	-	0.12	-	-	-	-	-	-	-	0.12
Miscellaneous Receipts										
- M/s Fabindia Overseas Private Limited	-	0.83	-	-	-	-	-	-	-	0.83
Corporate Social Responsibility Expenses										
- M/s Organic India Foundation	-	-	-	-	1.50	3.20	-	-	1.50	3.20
Loan repayment received during the year										
- Mr. Vikash	-	-	-	-	-	-	0.97	0.30	0.97	0.30
Loan repayment made during the year										
- M/s OI (US) Holdings, LLC	-	-	-	-	-	18.51	-	-	-	18.51
Interest On Loan										
- M/s OI (US) Holdings, LLC	-	-	-	-	5.46	5.14	-	-	5.46	5.14

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C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Ultimate Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Receivables										
- M/s Fabindia Limited ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	6.85	41.67	-	-	-	-	-	-	6.85	41.67
- M/s Nutriwel Health (India) Private Limited - Debenture	-	-	119.09	119.09	-	-	-	-	119.09	119.09
- M/s Nutriwel Health (India) Private Limited - Trade Receivables *	-	-	2.66	1.87	-	-	-	-	2.66	1.87
- M/s Nutriwel Health (India) Private Limited - Others	-	-	40.00	30.36	-	-	-	-	40.00	30.36
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	1.12	1.67	-	-	1.12	1.67
- M/s LEV True Wellness Private Limited	-	-	-	-	-	11.97	-	-	-	11.97
- M/s Organic India Farmers Producer Co.Limited	-	-	-	-	0.03	0.11	-	-	0.03	0.11
- Mr. Subrata Dutta (Loan) *	-	-	-	-	-	-	15.76	28.80	15.76	28.80
- Mr. Balram Singh (Loan)							1.78	-	1.78	-
-Mr. 'Dinesh kumar (Loan)	-	-	-	-	-	-	-	0.26	-	0.26
- Mr. Vikash (Loan)	-	-	-	-	-	-	2.52	2.06	2.52	2.06
-Mr. 'Alok Kumar (Loan)	-	-	-	-	-	-	0.40	0.37	0.40	0.37
Payables										
- M/s Fabindia Limited ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	5.99	149.39	-	-	-	-	-	-	5.99	149.39
- M/s LEV True Wellness Private Limited	-	-	-	-	0.00	-	-	-	0.00	-
- M/s Nutriwel Health (India) Private Limited	-	-	0.30	0.24	-	-	-	-	0.30	0.24
- Mr. Yoav Lev	-	-	-	-	-	-	0.30	-	0.30	-
- Mrs. Holly B Lev	-	-	-	-	-	-	0.30	-	0.30	-
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	0.27	-	0.27	-
- Mr. Subrata Dutta *	-	-	-	-	-	-	-	0.02	-	0.02
- Mr. Vikash	-	-	-	-	-	-	-	0.00	-	0.00
-Mr. Alok Kumar	-	-	-	-	-	-	0.01	-	0.01	-
- Mr. Laurent Chappuis	-	-	-	-	-	-	0.21	-	0.21	-
- Mr. Pankaj Pachauri	-	-	-	-	-	-	0.27	-	0.27	-
- Mr. Rahul Garg	-	-	-	-	-	-	0.21	-	0.21	-
- Mr. Richard Frank Celeste	-	-	-	-	-	-	0.47	-	0.47	-
- Mr. Monsson Latane Bissell	-	-	-	-	-	-	0.27	-	0.27	-
- Ms. Pooja Kothari	-	-	-	-	-	-	0.36	-	0.36	-
- Mr. Vikram Singh	-	-	-	-	-	-	0.09	0.17	0.09	0.17
- Mr. Pankaj Pachauri	-	-	-	-	-	-	0.27	-	0.27	-
- M/s OI (US) Holdings, LLC	-	-	-	-	142.46	129.90	-	-	142.46	129.90
-Dr. Alejandro Junger	-	-	-	-	-	-	-	0.08	-	0.08

*Provision for Doubtful Debts & Advance includes provison for:

- M/s Nutriwel Health (India) Private Limited	1.18
- Mr. Subrata Dutta (Loan)	13.64

(All amounts in INR million, unless otherwise stated)

45 EMPLOYEE BENEFITS

The Group has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

-Provident fund/ Pension Scheme

The following amounts has been recognised as an expense in respect of the Holding Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under personnel expenses in the Consolidated Statement of Profit and Loss.

Pariculars	Amount in INR Miilion
As at 31 March 2023	11.01
As at 31 March 2022	10.36

The Subsidiary Company, Organic India USA LLC sponsors a 401(k) profit-sharing plan available to defined eligible employees in which eligible participants are allowed to make contributions up to statutory limits. The Subsidiary Company makes a matching contributions equal to the participant's contribution up to 5 percent of the participant's compensation. Such amounts vest immediately. The SubsidiaryCompany has made matching contributions of INR 3.39 Million and INR 5.08 Million for the year ended 31 March 2023 and 31 March 2022 respectively.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(b) Defined benefit plans

-Contribution to Gratuity fund

The Holding Company has defined benefit gratuity plan(funded) wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Holding Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

-Compensated absences - Earned leave

Employees are eligible to encash unutilized earned leaves as follows. Encashment will be made on the basic salary.

State	No. of Leaves
Chattisgarh	90
Gujarat	63
Jammu & Kashmir	90
Madhya Pradesh	90
Other States	60

Actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate has been used in consultation with the Group.

Salary Growth Rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. The assumptions used are summarized in the following table:

	Gratuity (Funded)		Compensated Absences Earned Leave (Non Funded)	
	As At 31 March 2023	As At 31 March 2022	As At 31 March 2023	As At 31 March 2022
Discount rate(per annum)	7.15%	6.95%	7.15%	6.95%
Future salary increase(per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	7.15%	6.95%	0.00%	0.00%
In service mortality	IALM (2012-14)	IALM (2012-14)	IALM (2012-14) 0.00%	IALM (2012-14) 0.00%
Retirement Age	62 for one employee and 60 years for others	60 years	62 for one employee and 60 years for others	60 years
Withdrawal rates : Ages/ withdrawal rate	10.00%	10.00%	10.00%	10.00%

(Amount in INR Million)

	Gratuity (Funded)		Compensated Absences (Non Funded)	
	2022-23	2021-22	2022-23	2021-22
1. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at the beginning of the year	42.66	39.28	18.34	16.17
Interest Cost	2.74	2.42	1.10	0.94
Current Service Cost	5.54	5.27	4.15	3.47
Past Service Cost	-	-	-	-
Benefits Paid	(6.43)	(3.35)	(4.99)	(3.93)
Actuarial (gain)/loss on obligation	(0.32)	(0.96)	2.32	1.68
Defined Benefit Obligation at the end of the year	**44.19**	**42.66**	**20.93**	**18.34**
2. Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	32.90	29.56	-	-
Expected return on Plan Assets	2.29	1.95	-	-
Employer Contribution	7.22	5.48	-	-
Benefits Paid	(6.43)	(3.35)	-	-
Actuarial gain/(loss) on plan assets	(0.51)	(0.75)	-	-
Fair value of plan assets at the end of year	**35.46**	**32.90**	**-**	**-**
3. Reconciliation of fair value of Assets and Obligations				
Fair value of Plan Assets	35.46	32.90	-	-
Present value of Obligation	44.19	42.66	20.93	18.34
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(8.73)**	**(9.76)**	**(20.93)**	**(18.34)**
Less : Liability disposed on sale / classified as held for sale for discontinued operations	-	(0.24)	-	-
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(8.73)**	**(9.52)**	**(20.93)**	**(18.34)**
4. Expenses recognized in Statement of Profit and Loss				
Current service cost	5.54	5.27	4.15	3.47
Net Interest Cost	0.45	0.47	1.10	0.94
Past Service Cost	-	-	-	-
Net actuarial (gain)/loss recognized in the year	-	-	2.32	1.68
Net Cost	**5.99**	**5.74**	**7.58**	**6.09**
5. Expenses recognized in Other Comprehensive Income				
Actuarial (gain)/loss for the year on Obligation	(0.32)	(0.96)	-	-
Actuarial (gain)/loss for the year on Plan Assets	0.51	0.75	-	-
Net (Income)/Expense in OCI	**0.19**	**(0.22)**	**-**	**-**

6. Major categories of Plan Assets (as percentage of total Plan Assets):

	Gratuity (Funded)		Compensated Absences Earned Leave (Non Funded)	
	2022-23	2021-22	2022-23	2021-22
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%	0.00%	0.00%
Equity Shares of Listed Companies	0.00%	0.00%	0.00%	0.00%
Real Estate/ Property	0.00%	0.00%	0.00%	0.00%
Cash (including special deposit)	0.00%	0.00%	0.00%	0.00%
Others (including assets under schemes of Insurance)	100.00%	100.00%	0.00%	0.00%
Total	**100.00%**	**100.00%**	**0.00%**	**0.00%**

7. Sensitivity Analysis of the Defined Benefit Obligation:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting year , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in INR Million)

	31st March, 2023 Increase by 0.50%	31st March, 2023 Decrease by 0.50%	31st March, 2022 Increase by 0.50%	31st March, 2022 Decrease by 0.50%
Impact of the change in Discount Rate (0.50% movement)	(42.79)	45.67	(41.27)	44.13
Impact of the change in Salary Increase Rate (0.50% movement)	45.44	(42.91)	43.92	(41.43)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

8. Expected contribution for the next Annual reporting period:

Particulars	March 31, 2023		March 31, 2022	
	Compensated absences earned leaves	Gratuity	Compensated absences earned leaves	Gratuity
a) Service Cost	3.63	5.63	4.15	5.54
b) Net Interest Cost	1.50	0.45	1.27	0.45
c) Expected Expense for the next annual reporting period	5.13	6.08	5.43	5.99

9. Maturity Profile of Defined Benefit Obligation:

Year	March 31, 2023		March 31, 2022	
	Compensated absences earned leaves	Gratuity	Compensated absences earned leaves	Gratuity
0 to 1 Year	4.33	4.91	2.82	6.54
1 to 2 Year	2.94	5.91	2.23	3.75
2 to 3 Year	1.65	3.96	1.56	3.88
3 to 4 Year	1.74	4.62	1.52	3.75
4 to 5 Year	1.83	4.81	1.59	4.23
5 to 6 Year	1.54	4.11	1.69	4.29
6 Year onwards	22.83	50.05	22.16	49.17

10. Description of Risk Exposures:
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Group is exposed to various risks as follow -

A). Salary Increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
B). Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C). Discount Rate - Reduction in discount rate in subsequent valuations can increase the Plan's liability.
D). Mortality & Disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
E). Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(All amounts in INR million, unless otherwise stated)

46 Organic India USA, LLC 2020 Employee Equity Bonus Plan

During the year ended 31st March, 2021, the members of the Organic India USA LLC, Subsidiary Company has approved the Organic India USA, LLC 2020 Employee Equity Bonus Plan (the Plan). The Plan permits the granting of awards to employees of the Subsidiary Company as designated by the Board of Directors who are either in a management position or higher, or who have been employed by the Subsidiary Company for at least 12 consecutive months. As defined in the Plan document, an award shall mean the granting of shares, or non-voting units of the Holding Company, as further defined in the Company's Operating Agreement. The shares shall generally vest in five tranches every 18 months, commencing on the vesting commencement date, subject to the fulfillment of certain applicable performance milestone requirements,as further set forth in the award agreements and Plan document.

Information in respect of the Employee Stock Options granted upto 31 March 2023 under the Plan:

Scheme	Year	Date of Grant	Tranches	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (Rs.) per share	Fair Value of option on Grant Date
2020 Employee Equity Bonus Plan	2022-23	11/26/2020	I	451.00	9/30/2021	30 days from the date of Vesting	272.33	278.07
			II	-	3/30/2023	30 days from the date of Vesting	272.33	-
			III	-	9/30/2024	30 days from the date of Vesting	272.33	-
			IV	678.00	3/30/2026	30 days from the date of Vesting	272.33	282.53
			V	678.00	9/30/2027	30 days from the date of Vesting	272.33	288.96

Information in respect of the Employee Stock Options granted upto 31 March 2022 under the Plan:

Scheme	Year	Date of Grant	Tranches	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (USD) per share	Fair Value of option on Grant Date
2020 Employee Equity Bonus Plan	2020-21	11/26/2020	I	542.00	9/30/2021	30 days from the date of Vesting	272.33	295.00
			II	681.00	3/30/2023	30 days from the date of Vesting	272.33	294.38
			III	953.00	9/30/2024	30 days from the date of Vesting	272.33	296.72
			IV	1,224.00	3/30/2026	30 days from the date of Vesting	272.33	299.85
			V	1,496.00	9/30/2027	30 days from the date of Vesting	272.33	306.74

The Board of Directors of the Subsidiary Company, Organic India USA LLC in their meeting held on April 27, 2022 had accorded their approval to amend the 2020 Employee Equity Bonus Plan by way of amendments to the Restricted Stock Award Plan, Stock Award Agreement, Loan Agreement and also accorded their approval to vest 451 RSA (Tranche 1) for the FY 21 to the certain eligible employees. The amendment to the Plan provided an option to the employee to transfer the vested RSA back to the Company at a price of US $ 452.35 per unit. On account of shortfall in achievement of the milestone valuation for the FY 22 & 23, the Tranche 2 & 3 of the Plan were not vested to any employee and forfeited by the Subsidiary Company.

a) Movement in Employee Stock Options during the year :

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Options	Weighted average exercise price(in USD)	Number of Options	Weighted average exercise price(in USD)
Outstanding at the beginning of the year	5,197.00	272.33	5,197.00	272.33
Granted during the year	-	-	-	-
Forfeited during the year	3,641.00	-	301.00	-
Exercised during the year	-	-	-	-
Expired/ Lapsed during the year	-	-	-	-
Outstanding at the end of the year	1,556.00	272.33	4,896.00	272.33
Exercisable at the end of the year *	678.00	272.33	542.00	272.33

* Subsequent to March 31, 2023, The Board of Directors in their meeting held on July 10, 2023:

- Authorized the Company to purchase all of the 1st Tranche vested restricted stock held by current employees and service providers at a price of US $ 452.35
- Forgive interest on Loan for purchase of RSA by few employees (Joshua Ornstein and Kat Wiranowski) due to unforeseen circumstances.
- the Forfeiture of RSA for Tranche 2 & 3 – milestone valuation not met at a price of US $ 272.33 per unit
- repurchase remaining unvested RSA for Tranche 4 & 5 at a price of US $ 272.33 per unit
- Termination of the Plan

Therefore, the Company has created the liability equivalent to actual payout i.e. USD 73,040 grouped under other current financial liability

b) Fair Value on the Grant Date:

The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share and the risk free interest rate for the term of the option.

The significant assumptions used to ascertain fair value of each Option in accordance with Black Scholes model:

	FY 2022-23				
	Tranche				
Particulars	**I**	**II**	**III**	**IV**	**V**
Risk-free Interest Rate	0.11%	0.17%	0.30%	0.39%	0.65%
Expected Life of Option (in years)	0.85	2.34	3.85	5.34	6.84
Volatility of Underlying Stock	12.50%	12.50%	12.50%	12.50%	12.50%

	FY 2021-22				
	Tranche				
Particulars	**I**	**II**	**III**	**IV**	**V**
Risk-free Interest Rate	0.11%	0.17%	0.30%	0.39%	0.65%
Expected Life of Option (in years)	0.85	2.34	3.85	5.34	6.84
Volatility of Underlying Stock	12.50%	12.50%	12.50%	12.50%	12.50%

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the US Treasury Market rates derived from the website of US Department of Treasury.

c) The effect of share-based payment plan on the Consolidated Financial Statements:

	Amount in INR million	
	31 March 2023	**31 March 2022**
Expense arising from employee share-based payment plan	-	21.44
Liability arising from employee share-based payment plan	0.00	46.13

(All amounts in INR million, unless otherwise stated)

47 EMPLOYEE SHARE PURCHASE SCHEME

The members of the Holding Company approved Organic India Private Limited Employee Share Purchase Scheme 2021 (Scheme) in their meeting held on December 10, 2020. The Scheme provides for issue of equity shares of the Holding Company to the eligible employees, including Directors of the Holding Company and the employees and directors of its Subsidiary Companies and Holding Company, as determined by the Remuneration & Compensation Committee of the Board of Directors from time to time, in accordance with Applicable Laws, subject to terms and conditions as specified in the ESPS Agreement and the Scheme.

The implementation of the scheme is done through Organic India Employees Welfare Trust" (Trust), a registered trust. As per the Scheme, the select employees shall be allowed to purchase the Holding Company's equity shares on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. The equity shares shall be eligible for purchase based on the eligibility criteria of respective eligible employee where certain percentage of equity shares shall be unlocked as determined by the Remuneration and Compensation Committee of the Holding Company. The equity shares so purchased shall be under the lock-in period as per the scheme and would be released to the eligible employee upon meeting the performance and other conditions as set forth. During the lock-in period, the employee will remain to be the beneficial owner of the equity shares and the legal ownership will be transferred to the Trust till the completion of the condition subsequent set out in the ESPS Agreement.

The Scheme provides for allotment of a maximum of 4% of the paid up equity share capital of the Holding Company on fully diluted basis i.e. a maximum of 33,41,304 Equity Shares can be allotted in one or multiple tranches.

Movement in Employee Stock Options during the year:

The Holding Company had alloted 25,11,197 Equity shares having face value of Rs 10/- each at a price of Rs 38/- each including a premium of Rs 28/- aggregating to Rs 95,425,486 fully paid up to the Trust during the financial year ended on March 31, 2021 and then Trust transferred these to the eligible employees in terms of the Scheme. Out of these shares 13,67,634 {Previous year 89,550} equity shares were not transferred to the employees and held by / reverted back to the trust during the year ended March 31, 2023.

The shares allotted pursuant to the ESPS were to vest upon completion of certain performance conditions. During the financial year ended on 31st March 2022, the Company has not vested any shares to any of the covered employees under ESPS, due to unachieved performance conditions. In order to benefit the Employees of the Holding Company, the Holding Company has extended the ESPS scheme for another 2(two) years starting from April 1,2022 and ending on March 31,2027 and also allowed for equated vesting of equity shares over the period of 5(five) years i.e. 20% in each year. The Board of Directors in their meeting held on June 20, 2022 had approved the amendment in the ESPS scheme which got approved by the Shareholders of the Holding Company in their Annual General Meeting held on 22 July 2022. The amended ESPS scheme thereafter was adopted by the members of the Nomination & Remuneration Committee(NRC) and necessary amendment to the agreements are executed with the eligible members.

During the year under review the Nomination & Remuneration Committee of the Holding Company in their meeting held on 1st August 2022 had relaxed the lock-in conditions and released 28,551 Equity Shares to be transferred to the eligible employees of the Holding Company both as legal and beneficial owner by the Organic India Employees Welfare Trust

For the Financial Year ended on March 31, 2023, the decision to vest or lapse the shares held under lock-in by employees is yet to be provided by the Management. The Holding Company has therefore maintained status-quo unless decision is provided. The Consolidated Financial Statements are prepared considering no change or any amendment in the terms of the Plan and accounting entries are made accordingly.

a) **Movement of Equity Shares allotted to the Trust and transferred by Trust to eligible employees as on 31 March 2023 & 31 March 2022:**

Particulars	Trust Number of Shares As at 31 March 2023	Trust Number of Shares As at 31 March 2022
Opening at the beginning of the year	89,550	41,550
Add : Equity Shares Allotted to trust by the Holding Company during the year	-	-
Add : Equity Shares transferred by employees to trust on termination	1,367,642	76,500
Less: Equity Shares transferred to the eligible employee by the Trust during the year	(27,900)	(28,500)
Outstanding at the end of the year	**1,429,292**	**89,550**

b) **Details of Equity Shares allocated to the eligible employees and are held under lock-in period by Trust, for the benefit of employees under the Scheme, as on 31 March 2023 & 31 March 2022:**

Particulars	Trust Number of Shares As at 31 March 2023	Trust Number of Shares As at 31 March 2022
Opening balance at the beginning of the year	2,393,147	2,469,647
Add: Equity Shares Allotted during the year	-	-
Less: Equity Shares transferred by employees to trust on termination	(1,367,642)	(76,500)
Less: Equity Shares unlocked during the year	(28,551)	-
Total balance at the end of the year	**996,954**	**2,393,147**

c) **Details of Equity Shares allocated to the eligible employees, for the benefit of employees under the Scheme, as on 31 March 2023 & 31 March 2022:**

Particulars	Number of Shares As at 31 March 2023	Number of Shares As at 31 March 2022
Opening balance at the beginning of the year	28,500	-
Add: Equity Shares Allotted during the year	27,900	28,500
Less: Equity Shares transferred by employees to trust on termination	-	-
Add: Equity Shares unlocked during the year	28,551	-
Total balance at the end of the year	84,951	28,500

d) The effect of share-based payment plan on the Financial Statements:

	31 March 2023	31 March 2022
Expense arising from employee share-based payment plan	1.58	0.57
Deferred Expense arising from employee share-based payment plan	27.91	67.01

(All amounts in INR million, unless otherwise stated)

48 Discontinued operations

The Subsidiary Company, Organic India USA LLC (OIUSA) has invested US$ 2,750.275 as on 25 April 2018 in the Clean Program Corp (CPC) and acquired 50.01%. During the previous year, due to reformulation of the product there was a serious out of stock position and CPC was not able to cater to the existing customers and therefore lost its hold on the supplement market. The CPC reported a loss before tax of US$ 1,114.57 as on March 31, 2022 and US$ 1,060.24 (basis management accounts as on March 31, 2023). Both internal and external disruptions impacted the business adversely and therefore the Board of Directors of the Holding Company in their meeting held on January 19, 2023 accorded their in principle approval to sale the investment in CPC on account of no operations.

OIUSA entered into a Secondary Stock Purchase Agreement Dated June 6, 2023 for transfer of 50.01% stake represented by 10,002 shares of CPC to its initial owner Dr. Alejendro Junger for a total consideration of US $ 100.00 thereby incurring a loss of US $ 2,650.27 as on March 31, 2023.The Company also entered into a Registered User Agreement with CPC Dated June 6, 2023 granting OI USA, the exclusive, transferable, sub-licensable and perpetual right to use IPRs of CLEAN in India for manufacturing, marketing, distribution and sale of existing range of 'CLEAN' products in India for a consideration of US$ 1. Accordingly, all the assets and the liabilities of the said subsidiary have been disclosed under "Assets classified as held for sale and discontinued operations" / "Liabilities directly associated with assets classified as held for sale and discontinued operations" in the Consolidated Balance Sheet in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations'.

Financial performance and cash flows of CPC, the Subsidiary Company is as below:

(i) Analysis of profit / (loss) from discontinued operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit / (loss) for the year from discontinued operations		
Revenue From Operations	279.68	302.58
Other Income	2.15	0.90
Total Income	**281.83**	**303.48**
Purchase Of Traded Goods	47.97	33.40
Change In Inventories	(3.15)	3.15
Employee Benefits Expense	99.00	130.94
Finance Cost	0.08	0.70
Depreciation And Amortisation Expense	24.39	31.44
Other Expenses	162.25	108.99
Total Expenses	**330.54**	**308.62**
(Loss) Before Tax from Discontinued Operations	**(48.69)**	**(5.16)**
Tax Expense:		
Current tax	(0.17)	(0.32)
Adjustment in respect to previous year tax	1.11	9.17
Deferred tax	8.68	23.99
(Loss) for the Year from Discontinued Operations	**(39.08)**	**27.68**
Total Comprehensive Income For The Year from Discontinued Operations		
Net cash (outflows) / inflows from operating activities	4.14	(33.76)
Net cash used in investing activities	(6.31)	(4.15)
Net cash (outflows) / inflows from financing activities	(7.50)	(16.46)
Net cash (outflows) / inflows	**(9.67)**	**(54.37)**

(iii) Book value of assets and liabilities of discontinued operations

Details of Assets Held for Sale of Discontinued Operations

	As at 31 March 2023	As at 31 March 2022
Non Current Assets		
Property, Plant And Equipment	0.68	-
Intangible Assets	84.15	-
Right Of Use Assets	-	-
Financial Assets	-	-
Loans	-	-
Deferred Tax Assets (Net)	-	-
Other Non-Current Assets	-	-
	-	-
Current Assets	-	-
	-	-
Financial Assets	-	-
Trade Receivables	0.48	-
Cash And Cash Equivalents	26.56	-
Inventories	49.69	-
Current Tax Assets (Net)	-	-
Other Current Assets	18.02	-
Total Assets	**179.58**	**-**

Details of Liabilities directly associated with the Discontinued Operations

Non-Current Liabilities		
Borrowings	-	-
Other Financial Liabilities	-	-
Deferred Tax Liabilities (Net)	-	-
Provisions	-	-
	-	-
Current Liabilities	-	-
Trade Payables	36.97	-
	-	-
Other Financial Liabilities	0.09	-
Other Current Liabilities	0.94	-
Total Liabilities	**38.00**	**-**
Net Assets	**141.58**	**-**

49 Additional information, as required under Schedule III to the Companies Act, 2013, in respect of enterprises consolidated.

As at 31 March 2023

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount in INR Million	As % of consolidated profit or loss	Amount in INR Million	As % of consolidated other comprehensive income	Amount in INR Million	As % of consolidated total comprehensive income	Amount in INR Million
Parent								
Organic India Private Limited	87.04	1,369.25	44.42	(407.16)	99.05	15.92	43.44	(391.24)
Subsidiaries								
Foreign								
- Organic India USA LLC	(5.12)	(80.53)	47.13	(432.10)	-	-	47.97	(432.10)
- The Clean Program Corp.	9.00	141.65	4.26	(39.08)	-	-	4.34	(39.08)
Non Controlling Interest	10.01	157.47	3.95	(36.23)	-	-	4.02	(36.23)
Associates								
- Nutriwel Health (India) Private Limited	(0.93)	(14.67)	0.24	(2.24)	0.95	0.15	0.23	(2.09)
Total	**100.00**	**1,573.17**	**100.00**	**(916.81)**	**100.00**	**16.07**	**100.00**	**(900.74)**

As at 31 March 2022

Name of Enterprise	Net Assets i.e. total assets		Share in Profit or loss		Share in Other		Share in Total	
	As % of consolidated net assets	Amount in INR Million	As % of consolidated profit or loss	Amount in INR Million	As % of consolidated other comprehensive income	Amount in INR Million	As % of consolidated total comprehensive income	Amount in INR Million
Parent								
Organic India Private Limited	73.54	1,846.74	547.38	93.99	94.25	4.31	451.93	98.30
Subsidiaries								
Foreign								
- Organic India USA LLC	10.05	252.40	(239.02)	(41.05)	-	-	(188.67)	(41.05)
- The Clean Program Corp.	9.77	245.33	44.07	7.57	-	-	34.78	7.57
Domestic								
- Organic India Employees Wel	-	-	-	-	-	-	-	-
Non Controlling Interest	7.14	179.17	(231.44)	(39.75)	-	-	(182.68)	(39.75)
Associates								
- Nutriwel Health (India)	(0.50)	(12.58)	(20.99)	(3.60)	5.75	0.26	(15.36)	(3.34)
Total	**100.00**	**2,511.05**	**100.00**	**17.16**	**100.00**	**4.57**	**100.00**	**21.73**

(All amounts in INR million, unless otherwise stated)

50 Impairment

a) The Holding Company has not recognized any loss on impairment in respect of assets of the Company except, for investment in 6% Optionally Convertible Debentures of Composite Interceptive Med-Science Laboratories Private Limited and for 9% 11,908,623 Optional Convertible Debentures of Rs 10 each of Nutriwel Health (India) Private Limited and investment in 2,328 Equity Shares of Rs 10 each fully paid up of Nutriwel Health (India) Private Limited in terms of Indian Accounting Standard (Ind AS) 16 on "Property, Plant and equipment"/ Indian Accounting Standard (Ind AS) 36 on Ïmpairment of Assets" since in the opinion of the Management, as confirmed by the Board of Directors, the reduction in value of any asset, to the extent required, has already been provided for in the books.

b) In respect of the assets at the subsidiary, the impairment testing is based on the realizable value of underlying assets as reviewed and tested at the level of the Board of Directors at the subsidiary and as confirmed by the Board of Directors of the subsidiary. Accordingly, the Wholly Owned Overseas Subsidiary Company has recognized provision for impairment amounting to INR 209.64 Million (previous year INR 47.96 Million) on Goodwill arisen on consolidation of its subsidiary in accordance with Indian Accounting Standard (Ind AS) 36 on Ïmpairment of Assets".

51 Due to Micro, Small And Medium enterprises as defined under the MSMED Act, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Principal amount due to micro and small enterprises	31.99	62.83
Interest due on above	-	-
Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day	- -	- -
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the MSMED Act, 2006.	- -	- -
Amount of interest accrued and remaining unpaid	-	-

52 Non Current Assets Held for Sale

During the FY 21-22, the Board of Directors of the Holding Company had approved an agreement to sell its entire Land held at Chinhat, Lucknow for INR 111.10 Million, which has however been cancelled. Further, the Holding Company still has the intent to sell the land and is exploring other alternative deals and hence, the Holding Company has classified the said Land amounting to INR 148.93 Million as assets held for sale and have stated it at INR 111.10 Million being the lower of carrying amount and estimated fair value of the said investment less costs to sell.

53 The Holding Company, being a subsidiary of Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited), became a "Deemed Public Limited Company" with effect from October 22, 2021 invoking applicability of Section 197 of the Companies Act, 2013 (‘the Act”). The managerial remuneration paid / payable to directors of the Holding Company up to the period March 31, 2023 has been approved by the Board of Directors and further approved by the shareholders in the annual general meeting of shareholders held on 22nd July 2022.

54 Other notes

(a) As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Holding Company as per the Act. The CSR committee of the Holding Company provides an oversight of CSR policy execution to ensure that CSR objectives of the Holding Company are met.

The financial details as sought by the Act are as follows:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Average net profits of the Holding Company for last three financial years	69.67	156.71
Amount required to be spent by the Holding Company	1.39	3.13
Amount of expenditure incurred	1.50	3.20
Shortfall	-	-
Total of previous years shortfall	-	-
Reason for Shortfall	NA	NA
Nature of CSR Activities	Promoting health care including preventive health care, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	Promoting health care including preventive health care, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
Amount spent to Related Party		
- Organic India Foundation	1.50	3.20
Provision taken	-	-

(b) Debit and credit balances of trade payables, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties.

(c) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Group other than Property, Plant & Equipment and non-current investments, and have come to a conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the consolidated balance sheet. Although Management expects a slowdown, there are no plans to downsize the Group's operations presently or in the near future.

(d) The Holding Company had transferred certain land for INR 33.12 Million to Ganga Yamuna Agro Technologies and Plantation Private Limited (the Company in which director is interested) in the financial year 2012-13, the sale deed of which has been executed during the current year in the name of the affilaite (Lev True Wellness Private Limtied) pursuant to to the terms of Agreement to sell.

(e) The Group has not been declared a wilful defaulter by any banks or financial institutions. Further, the Group has not defaulted in meeting its payment/ repayment obligations.

(f) The Group has filed the quarterly statements of the current assets with the banks which are in agreement with the books of accounts, except for inventories where amount reported is at cost (excluding fixed and variable overheads).

(g) No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(h) 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 Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(i) The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.
The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(j) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(k) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(l) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

(m) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(n) The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year ended 31st March, 2022 / 31st March, 2021 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.

(o) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As Per Our Report Of Even Date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of Board of Directors of
Organic India Private Limited
CIN: U74130DL1997PTC326085

Monish Sharma
Partner
Membership Number: 505381
Place: Gurugram
Date: October 16, 2023

Vikram Singh
(Director)
DIN: 07153318
Place: New Delhi
Date: October 15, 2023

Balram Singh
(Managing Director)
DIN: 06673673
Place: New Delhi
Date: October 15, 2023

Alok Kumar
M.NO-A26369
(Company Secretary)
Place: New Delhi
Date: October 15, 2023

Vivek Rishi
(Group CFO)
Place: New Delhi
Date: October 15, 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **ORGANIC INDIA PRIVATE LIMITED**

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ORGANIC INDIA PRIVATE LIMITED** (hereinafter referred to as the "Holding Company') and its subsidiaries (the Holding Company, its subsidiaries together referred to as 'the Group') and its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March, 2022 and their consolidated profit and other comprehensive income, their consolidated cash flows and consolidated changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to the audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance / conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether the Group has in place an adequate internal financial control system with reference to the financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

a) We did not audit the consolidated financial statements of an Overseas Wholly-Owned Subsidiary Company consolidated with its subsidiary, whose consolidated accounts have been modified and adapted to fit-for consolidation (FFC) based on the audited consolidated financial statements which reflect total assets of INR 1,075.70 million as at 31st March, 2022 (Previous Year INR 1030.47 million), total revenues of INR. 1,690.95 million (Previous Year INR. 1,956.43 million) and net cash flows amounting to INR. (38.26) million (Previous Year INR. (36.88) million). The consolidated financial statements also include the Group's share of net loss of INR 3.34 million for the year ended 31st March, 2022 (Previous year INR 4.23 million) as considered in the consolidated financial statements in respect of its associates, whose financial statements have not been audited by us.

These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the certified accounts/information received from the management of the Holding Company and reports of the other auditors.

b) These consolidated financial statements include the financial statements of Clean Program Corp, a Step-down Subsidiary (herein referred to as “Clean”). Clean has incurred losses before taxes amounting to INR 59.10 million for the year ended March 31, 2022 mainly owing to supply chain issues. Clean would need a significant increase in the volume of business to be able to generate positive cash flows in future. This indicate that a material uncertainty exists that may cast significant doubt on the Clean’s ability to continue as a going concern. The Holding Company and its wholly owned overseas subsidiary has provided necessary financial support to enable Clean to operate as a ‘going concern’. However, the going concern evaluation of the group as a whole is appropriate and consolidated financial statements of the Group have been prepared on going concern basis. (Also refer note 54)

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;

   e. On the basis of written representations received from the directors of Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies, associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st 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 Group and the operating effectiveness of such controls, refer to our separate Report in ''Annexure-A''; and

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) the consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate.

   b) the Group and its associate have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   c) there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate entity.

   d) (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (also refer note 53(h));

      (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (also refer note 53(f));

      (iii) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654
UDIN: 22080654ALJJZC3333

Place: NEW DELHI
Date: 21st June 2022

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF ORGANIC INDIA PRIVATE LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2022

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act') as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls with reference to financial statements of ORGANIC INDIA PRIVATE LIMITED (hereinafter referred to as 'the Holding Company'). In respect of its Subsidiary Companies which are foreign subsidiaries, the audit of internal financial controls is not applicable as of that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI).

3. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

4. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ''Guidance Note'') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system with reference to financial statements of the aforesaid entities.

Meaning of Internal Financial Controls with reference to Financial Statements

7. A company's internal financial control 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 control with reference to financial statements includes those policies and procedures that:

    (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
    (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

9. In our opinion, the Holding Company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2022, based on the internal financial control with reference to financial statements criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654
UDIN: 22080654ALJJZC3333

Place: NEW DELHI
Date: 21st June 2022

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31ST March, 2022

ASSETS	**Notes**	**AS AT 31 March, 2022 (Amount in INR Million)**	**AS AT 31 March, 2021 (Amount in INR Million)**
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	3a	839.92	1,064.17
CAPITAL-WORK-IN PROGRESS	3a	1.77	-
GOODWILL ON CONSOLIDATION	3b	537.25	568.25
INTANGIBLE ASSETS	3b	114.21	126.00
INTANGIBLE ASSETS UNDER DEVELOPMENT	3b	17.44	8.18
RIGHT OF USE ASSETS	3c	278.68	279.76
FINANCIAL ASSETS			
INVESTMENT	4	187.21	227.58
LOANS	5	29.12	33.75
OTHERS	6	23.36	22.96
NON - CURRENT INCOME TAX ASSETS (NET)	7	128.26	134.06
DEFERRED TAX ASSETS (NET)	8	50.17	-
OTHER NON-CURRENT ASSETS	9	51.91	46.38
TOTAL NON-CURRENT ASSETS		**2,259.30**	**2,511.09**
CURRENT ASSETS			
INVENTORIES	10	794.42	735.04
FINANCIAL ASSETS			
TRADE RECEIVABLES	11	789.97	622.75
CASH AND CASH EQUIVALENTS	12	86.88	179.83
BANK BALANCES OTHER THAN ABOVE	13	3.47	23.06
LOANS	14	24.41	21.81
OTHERS	15	26.76	13.34
OTHER CURRENT ASSETS	16	406.79	420.80
TOTAL CURRENT ASSETS		**2,132.70**	**2,016.63**
ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIO	48	111.10	-
TOTAL ASSETS		**4,503.10**	**4,527.72**
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	17	827.02	827.02
OTHER EQUITY	18	1,504.87	1,423.71
NON CONTROLLING INTEREST		179.16	212.46
TOTAL EQUITY		**2,511.05**	**2,463.19**
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	19	128.61	238.44
LEASE LIABILITIES	20	181.87	164.05
OTHER FINANCIAL LIABILITIES	21	39.62	45.00
DEFERRED TAX LIABILITIES (NET)	8	-	14.69
PROVISIONS	22	30.26	26.74
TOTAL NON- CURRENT LIABILITIES		**380.36**	**488.92**
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	23	822.96	950.68
LEASE LIABILITIES	24	38.54	48.07
TRADE PAYABLES	25		
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES		62.83	42.45
TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		522.91	324.89
OTHER FINANCIAL LIABILITIES	26	115.85	123.81
OTHER CURRENT LIABILITIES	27	46.32	83.56
PROVISIONS	28	2.28	2.15
TOTAL CURRENT LIABILITIES		**1,611.69**	**1,575.61**
TOTAL EQUITY AND LIABILITIES		**4,503.10**	**4,527.72**

THE NOTES 1 TO 54 FORMS AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

"AS PER OUR REPORT OF EVEN DATE"

FOR A PURI & ASSOCIATES
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FIRM REGISTRATION NUMBER: 009203N

ON BEHALF OF BOARD OF DIRECTORS

VIKRAM SINGH
DIRECTOR
DIN: 07153318
PLACE:NEW DELHI
DATE: 21st JUNE 2022

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DATE: 21st JUNE 2022

VIKASH
CHIEF FINANCIAL OFFICER
PLACE:NEW DELHI
DATE: 21st JUNE 2022

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2022

	Notes	FOR THE YEAR ENDED 31 MARCH, 2022 (Amount in INR Million)	FOR THE YEAR ENDED 31 MARCH, 2021 (Amount in INR Million)
INCOMES			
REVENUE FROM OPERATIONS	29	3,851.81	3,947.73
OTHER INCOME	30	65.44	110.78
TOTAL INCOME		**3,917.25**	**4,058.51**
EXPENSES			
COST OF MATERIALS CONSUMED	31	867.16	1,005.53
(INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	32	(28.84)	(12.57)
PURCHASES FOR RESALE		380.16	210.26
EMPLOYEE BENEFITS EXPENSE	33	779.37	657.70
FINANCE COSTS	34	85.38	95.02
DEPRECIATION AND AMORTISATION EXPENSE	3a, 3b & 3c	205.94	219.52
OTHER EXPENSES	35	1,594.86	1,790.87
TOTAL EXPENSES		**3,884.03**	**3,966.33**
PROFIT FROM CONTINUING OPERATIONS BEFORE SHARE OF ACCUMULATED PROFIT/(LOSS) IN ASSOCIATE COMPANIES, EXCEPTIONAL ITEMS AND TAX		**33.22**	**92.18**
SHARE OF ACCUMULATED PROFIT/(LOSS) IN ASSOCIATE COMPANIES		(3.60)	(4.20)
PROFIT FROM CONTINUING OPERATIONS BEFORE EXCEPTIONAL ITEMS AND TAX EXPENSE		**29.62**	**87.98**
EXCEPTIONAL ITEMS			
IMPAIRMENT LOSS ON ASSET CLASSIFIED AS HELD FOR SALE		37.83	-
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX EXPENSE		**(8.21)**	**87.98**
TAX EXPENSE:	36		
CURRENT TAX		(50.17)	(39.68)
EARLIER YEARS TAX		9.37	(1.47)
DEFERRED TAX ASSET CREATED		66.17	(0.73)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (I)		**17.16**	**46.10**
DISCONTINUED OPERATIONS	48		
PROFIT/(LOSS) ON DISPOSAL OF SUBSIDIARY		-	(15.03)
TAX EXPENSE OF DISCONTINUED OPERATIONS		-	-
- **(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS (II)**		**-**	**(15.03)**
- **PROFIT FOR THE YEAR (III= I+II)**		**17.16**	**31.07**
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
ACTUARIAL GAIN/(LOSS) ON DEFINED BENEFIT OBLIGATION		0.20	1.94
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		(0.05)	(0.49)
SHARE OF OTHER COMPREHENSIVE INCOME /(LOSS) FROM ASSOCIATES		0.26	(0.03)
ITEMS THAT WILL BE RECLASSIFIED FROM PROFIT OR LOSS			-
FOREIGN CURRENCY TRANSLATION DIFFERENCES		5.41	36.13
INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED FROM PROFIT OR LOSS		(1.25)	(8.42)
SHARE OF OTHER COMPREHENSIVE INCOME /(LOSS) FROM ASSOCIATES		-	-
TOTAL OTHER COMPREHENSIVE INCOME		4.57	29.13
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**21.73**	**60.20**
PROFIT / (LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		56.91	14.30
NON-CONTROLLING INTERESTS		(39.75)	16.77
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		4.57	29.13
NON-CONTROLLING INTERESTS		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		61.48	43.43
NON-CONTROLLING INTERESTS		(39.75)	16.77
EARNINGS PER EQUITY SHARE - CONTINUING OPERATIONS	38		
BASIC		0.69	0.37
DILUTED		0.69	0.37
EARNINGS / (LOSS) PER EQUITY SHARE - DISCONTINUED OPERATIONS			
BASIC		-	(0.19)
DILUTED		-	(0.19)
EARNINGS PER EQUITY SHARE - CONTINUING AND DISCONTINUED OPERATIONS			
BASIC		0.69	0.18
DILUTED		0.69	0.18

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ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2022

		FOR THE YEAR ENDED 31ST MARCH, 2022 (Amount in INR Million)	FOR THE YEAR ENDED 31ST MARCH, 2021 (Amount in INR Million)
A.	**Cash flow from operating activities**		
	Net profit/(loss) before tax and after exceptional items from continuing operations	(8.21)	87.98
	Net (loss) before tax and after exceptional items from discontinuing operations	-	(15.03)
	Adjustments for non-cash items:		
	Depreciation and amortisation	205.94	219.52
	Employee Stock Option Compensation Expense	21.44	26.53
	Employee Share Purchase Compensation Expense	0.57	-
	Loss on Disposal of subsidiary	-	15.03
	Loss on Asset Classified as held for Sale	37.83	-
	(Profit) / Loss on Sale Of Property, Plant & Equipments	-	2.68
	Interest expense	68.48	78.65
	Interest expense on lease liability	16.89	16.37
	Interest income	(22.99)	(19.95)
	Gain arising on disposal of Right of Use Assets	(3.78)	(2.09)
	Loss on sale of Govt Scrips	3.21	-
	Obsolete Stock written off	4.43	51.08
	Bad debts / advances written off	18.36	36.93
	Excess Provision Written Back	(3.77)	(2.46)
	Provision for non moving of inventory	8.84	(16.88)
	Provision for Impairment of investments	5.56	43.88
	Provision for Impairment of goodwill	47.96	-
	Loss/(gain) arising on Derivatives measured at FVTPL	(13.91)	(25.88)
	Net (Gain)/ Loss arising on financial assets measured at FVTPL	46.67	(6.62)
	Share of accumulated profit / (loss) in associate company	3.60	4.20
	Provision for Expiry	-	17.37
	Provision/ Liability no longer required written back	(8.44)	(15.05)
	Provision for doubtful advance created/ (written back)	(0.92)	0.82
	Provision for Sales Tax Form Written Back	-	(0.24)
	Provision for asset retirement obligation written back	(0.23)	-
	Provision for gratuity & leave encashment	2.42	1.89
	Operating profit before working capital changes	**429.94**	**498.73**
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	(182.69)	198.25
	(Increase)/decrease in inventories	(72.66)	26.28
	(Increase)/decrease in loans	8.28	(42.36)
	(Increase)/decrease in other assets	(13.75)	(152.42)
	Increase/(decrease) in trade payables	218.39	(115.25)
	Increase/(decrease) in financial liabilities	7.15	41.58
	Increase/(decrease) in other liabilities	(31.99)	(50.70)
	Effect of Foreign Exchange Translation (Other than Fixed Assets)	(5.25)	5.47
	Cash generated from/(used in) operations	**357.43**	**409.58**
	Income tax paid (net of refund received)	(35.02)	(104.38)
	Prior period expenses	-	-
	Net cash from/(used in) operating activities	**322.41**	**305.20**
B.	**Cash flow from investing activities**		
	Purchase of Property, Plant & Equipment (including capital work- in- progress)	(65.45)	(81.16)
	Proceeds from sale of Property, Plant & Equipment (including insurance claim rec.)	1.09	2.65
	Proceeds from sale of non-current investments (Disposal of subsidiary)	-	0.16
	Proceeds from bank deposits (with original maturity over 3 months)	19.67	(1.38)
	Proceeds from / (Investment in) bank deposits (with original maturity over 12 months)	(4.06)	(0.31)
	Interest received (revenue)	5.87	4.57
	Net cash from/(used in) investing activities	**(42.88)**	**(75.47)**
C.	**Cash flow from financing activities**		
	Proceeds/ (Repayment) of short-term borrowings	4.07	(58.04)
	Repayment of long-term borrowings	(201.78)	(233.78)
	Proceeds From Issue Of Shares (Including Share Premium)	0.29	93.85
	Principal Portion of Lease Liability Paid	(44.61)	(55.42)
	Interest Portion of Lease Liability paid	(16.89)	(16.37)
	Interest paid	(69.61)	(76.81)
	Dividend paid	-	(27.75)
	Dividend tax paid	-	
	Net cash from/(used in) financing activities	**(328.53)**	**(374.32)**
	Net increase/(decrease) in cash & cash equivalents	**(49.00)**	**(144.59)**
	Cash & cash equivalents at the beginning of the period	102.27	246.86
	Cash & cash equivalents acquired on account of acquisitions	-	-
	Cash & cash equivalents at period end	53.27	102.27
	Net increase/(decrease) in cash & cash equivalents	**(49.00)**	**(144.59)**

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2022

	FOR THE YEAR ENDED 31ST MARCH, 2022	FOR THE YEAR ENDED 31ST MARCH, 2021

NOTES:

1. The above cash flow statement has been prepared under the "Indirect method" set out in the IND AS-3 on Statement of Cash Flows.
2. Figures in bracket indicate cash outflow.
3. Cash and cash equivalents at the end of the year consist of the following:

	31st March, 2022 (Amount in INR Million)	31st March, 2021 (Amount in INR Million)
Cash on hand	0.17	0.21
Cheque in hand	-	0.06
Balance with banks		
- in current accounts	86.71	179.56
Deposits with maturity of less than three months	-	-
Bank overdrafts used for cash management purpose	(33.61)	(77.56)
Total cash and cash equivalents	**53.27**	**102.27**

Changes in liabilities arising from financing activities (read with Statement of Cash Flows):

Particulars	As on April 1, 2021	Proceeds	Repayment	Non-cash change	As on March 31, 2022
Short Term Borrowings	746.27	6,224.19	(6,264.07)	-	**706.40**
Long Term Borrowings	442.84	-	(201.78)	4.12	**245.18**
Lease Liability	212.12	-	(61.49)	69.79	**220.41**
Total	**1,401.23**	**6,224.19**	**(6,527.34)**	**73.91**	**1,171.99**

Particulars	As on April 1, 2020	Proceeds	Repayment	Non-cash change	As on March 31, 2021
Short Term Borrowings	801.48	4,179.17	(4,234.38)	-	**746.27**
Long Term Borrowings	676.62	-	(233.78)	-	**442.84**
Lease Liability	257.66	-	(71.79)	26.25	**212.12**
Total	**1,735.76**	**4,179.17**	**(4,539.95)**	**26.25**	**1,401.23**

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ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2022

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(Amount in INR Million)

Particulars	Note	AS AT 31	AS AT 31 MARCH, 2021
Balance at the beginning of the reporting year	17	**827.02**	**801.91**
Changes in Equity Share Capital due to prior reporting errors		-	-
Restated Balance as at 1st April, 2021		**827.02**	**801.91**
Changes in equity share capital during the year		-	25.11
Balance at the end of the reporting year		**827.02**	**827.02**

B. OTHER EQUITY

(Amount in INR Million)

Particulars	Reserves & Surplus						Other Comprehensive Income	Attributable to the owners of the parent	Non Controlling Interest	Total
	Securities Premium	General Reserve	Stock Option Outstanding	Treasury Shares	Remeasurements of the net defined benefit Plans (Net of tax)	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at 1 April 2020	**181.67**	**16.57**	**-**		(0.87)	**1,056.21**	**31.73**	**1,285.31**	**217.26**	**1,502.57**
Profit for the year	-	-	-		-	**14.30**	-	**14.30**	**16.77**	**31.07**
Share of non controlling interest on Disposal of a subsidiary	-	-	-		-	-	-	-	**10.71**	**10.71**
Addition on account of issue of equity shares under Employees Share Purchase Scheme	**69.15**	-	-	**(0.42)**	-	-	-	**68.73**	-	**68.73**
Employee Stock Options Compensation (Refer Note No. 45)	-	-	**26.24**		-	-	-	**26.24**	-	**26.24**
Remeasurements of the net defined benefit plans (net of tax)	-	-	-		1.42	-	-	**1.42**	-	**1.42**
Other Comprehensive Income*	-	-	-		-	-	**27.72**	**27.72**	**(4.53)**	**23.19**
Total Comprehensive Income for the year	**69.15**	**-**	**26.24**	**(0.42)**	1.42	**14.30**	**27.72**	**138.41**	**22.95**	**161.36**
Dividends (including Corporate Dividend Tax)	-	-	-		-	-	-	-	**(27.75)**	**(27.75)**
Balance as at 1 April, 2021	**250.82**	**16.57**	**26.24**	**(0.42)**	**0.55**	**1,070.51**	**59.45**	**1,423.72**	**212.46**	**1,636.18**
Profit for the year	-	-	-	-	-	**56.91**	-	**56.91**	**(39.75)**	**17.16**
Addition on account of Equity Shares transferred by employees to trust on termination	-	-	-	(0.76)	-	-	-	**(0.76)**	-	**(0.76)**
Addition on account of issue of equity shares under Employees Share Purchase Scheme	(1.34)	-	-	0.28	-	-	-	**(1.06)**	-	**(1.06)**
Employee Stock Options Compensation (Refer Note No. 46)	-	-	**19.89**	-	-	-	-	**19.89**	-	**19.89**
Addition on account of cancellation of options		**1.57**						**1.57**		
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	0.44	-	-	**0.44**	-	**0.44**
Other Comprehensive Income*	-	-	-	-	-	-	**4.16**	**4.16**	**6.44**	**10.60**
Total Comprehensive Income for the year	**(1.34)**	**1.57**	**19.89**	**(0.48)**	**0.44**	**56.91**	**4.16**	**81.15**	**(33.30)**	**47.85**
Dividends (including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2022	**249.48**	**18.14**	**46.13**	**(0.90)**	**0.99**	**1,127.42**	**63.61**	**1,504.87**	**179.16**	**1,684.03**

Notes

* Other Comprehensive income for the Non Controlling represents the exchange translation of the amount of Non Controlling Interest based on the consolidated financial statements of Organic India USA LLC with its subsidiary Clean Program Corp.

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1. Company Overview

ORGANIC INDIA PRIVATE LIMITED ('the Holding Company') domiciled in India was incorporated under the provisions of the Companies Act, 1956, on 17th February, 1997. The Holding Company, its subsidiaries and its associates are jointly referred to as “the Group”.

The Holding Company is engaged in the business of processing, manufacturing and marketing of certified organic Tulsi herbal infusions, herbal supplements, Ayurvedic medicines and other organic food products and spices.

The Subsidiary/Associate considered in these consolidated financial statements are as below: -

a) Organic India USA LLC, a wholly owned subsidiary company domiciled in United States of America which is engaged in the marketing and the trading of the organic products.

b) The Clean Program Corp, a subsidiary company of Organic India USA, LLC domiciled in United States of America. Organic India USA, LLC owns 50.01% of its voting power as on 31st March 2022 which is engaged in manufacturing (through co-manufacturers) and sells supplements and protein shakes direct-to-consumer through its website.

c) Composite Interceptive Med-Science Laboratories Private Limited, a subsidiary company (upto 4th April, 2020) domiciled in India. The Holding Company owns Nil % of its voting power as on 31st March, 2022 (31st March, 2021- Nil%). The subsidiary is engaged in scientific research and development activities. The Holding Company had entered in to an agreement on 12th March, 2020 for transfer of its entire holding in the subsidiary and the said sale has been executed on 4th April, 2020.

d) Nutriwel Health (India) Private Limited, deemed associate domiciled in India. The Holding Company owns 11% of its voting power as on 31st March, 2022. The associate is engaged in the business of general medical consultancy aimed at weight loss, enhancement of health and fitness status, general wellbeing and improving the quality of life of individuals.

These consolidated financial statements for the year ended 31st March, 2022 prepared for consolidation in to the Holding Company’s accounts were approved and authorized for issue by the Holding Company’s Board of Directors on 21st June 2022.

The Holding Company, being a subsidiary of Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited), the Ultimate Holding Company, is deemed to be a public company with effect from 22nd October, 2021 for purposes of the Companies Act, 2013, in terms of Section 2(71) thereof, even though the Holding Company continues to be a private company in its articles of association.

2. Basis for Preparation, Measurement and Significant Accounting Policies

A. Basis of preparation of financial statements and Statement of Compliance

These consolidated financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified).The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

a. Defined benefit pension plans – plan assets measured at fair value.
b. Land and buildings classified as property, plant and equipment.
c. Contingent Consideration
d. Leasehold land classified as right-of-use asset.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Millions up to two decimal as per the requirement of Schedule III, unless otherwise stated.

B. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

C. Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS-110) –Consolidated Financial Statements" and Indian Accounting Standard 28 (Ind AS-28) – "Investment in Associates and Joint Ventures". These consolidated financial statements comprise the standalone financial statements of Holding Company and the following subsidiaries: -

Name of the Company	**Country of Incorporation**	**Holding (%)**	
		31st March, 2022	**31st March, 2021**
Organic India USA LLC	USA	100.00%	100.00%
The Clean Program Corp (Subsidiary through Organic India USA, LLC i.e. 100% of 50.01%)	USA	50.01%	50.01%
Composite Interceptive Med-Science Laboratories Private Limited*	India	Nil	Nil

*Considered as a Discontinued operation as per Ind AS-105 as the said investment has been held for sale in pursuance of the agreement entered by the Holding Company on 12th March, 2020 for sale of the entire shareholding held in the subsidiary and the said sale has been executed on 4th April, 2020.

and the following associates:

Name of the Company	**Country of Incorporation**	**Holding (%)**	
		31st March, 2022	**31st March, 2021**
Nutriwel Health (India) Private Limited *	India	11.00%	11.00%

*Deemed Associate by way of exercising of significant influence through representation of one third of voting power on the board of Nutriwel Health (India) Private Limited.

Control is achieved when the Holding Company is exposed to or has right to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The result of the subsidiaries and associates acquired or disposed off during the year are included in the consolidated financial statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

The consolidated financial statements have been prepared on the following basis:

- the standalone financial statements of the Holding Company, consolidated financial statements of Organic India USA, LLC, its wholly owned foreign subsidiary, have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.

- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

- These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

- Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest on non-controlling shareholders may be initially measure either at fair value or at the non-controlling interests proportionate share of the net value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if it results in the non-controlling interest having a deficit balance.

- Associates are those enterprises over which the Group has significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

- When the Group's share of losses exceeds the carrying value of the associate, the carrying value of its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate) is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

D. Business Combination

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognized in the Consolidated Statement of Profit and Loss.

Goodwill arising on acquisition is recognized as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. If the net fair value of the identifiable assets and liabilities, exceed the cost of acquisition, the excess is recognized as Capital reserve on consolidation.

E. Critical accounting judgements and key source of estimation uncertainty

The preparation of these consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Employee Benefits:
Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 45.

(ii) Taxes on Income

Income Tax:
Tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Group adjusts taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the year in which they are agreed or on final closure of assessment.

Deferred Tax:
Deferred Tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised and are reviewed at each reporting date and reduced to the extent it is no longer probable that related tax benefit will be realised.

(iii) Assets retirement obligation (ARO):

The liability for assets retirement obligation are recognized when the Group has obligation to perform store/shop restoration activity. The recognition and measurement of ARO involves the use of estimates and assumptions which includes the timing of handing over the licensed premises which would depend upon the lease period, the carpet area and pre-tax rate applied for discounting.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

(v) Depreciation/ amortization/impairment, useful lives and residual value of Property, Plant and Equipment/ Intangible Assets:

Property, Plant and Equipment / Intangible Assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future years is revised if there are significant changes from previous estimates.

(vi) Provisions:

Provisions and liabilities are recognized in the year when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(vii) Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

(viii) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared as a global pandemic by the World Health Organization with adverse impact on economy and businesses. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states/countries followed by the lockdowns from time to time to stem the spread of COVID-19. Due to this the operations of the Group got disrupted from time to time.

In light of these circumstances, the Group has considered the possible impact that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information and based on current estimates the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

F. Current vs Non-current Classification

The Group presents assets and liabilities in the Consolidated 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 year,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

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 year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

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

G. Significant Accounting Policies

(a). Property, Plant and Equipment

(i) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, interest cost up to the date of construction, expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. The cost amount and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Consolidated Statement of Profit and Loss. Repairs and maintenance costs are charged to the Consolidated Statement of Profit and Loss when incurred.

(ii) The Group has adopted component accounting, wherever applicable, and identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over the lower of the useful life of the component and that of the principal asset; the remaining asset is depreciated over the life of the principal asset.

(iii) Depreciation is recognized on a Straight-line basis over the useful life as specified under Schedule II of the Act, as given below except for leasehold improvements being considered as part of building and depreciated over the period of 30 years as leases will be renewed and kept for longer period.

Particulars	**Useful Life**
Factory Buildings	30 Years
Building other than factory buildings	60 Years
Leasehold Improvements other than those considered as part of building	Over the period of lease
Furniture & Fixtures	10 Years
Plant and Equipments	3 Years to 15 Years
Office Equipment’s	5 Years
Electrical Installation and Equipment (Including air conditioner and cooling equipments)	10 Years
Vehicle	8 Years
Computers	3 Years

Double shift Depreciation is provided for the eligible assets as per Schedule II of the Act wherever applicable.

(iv) The residual value of all depreciable assets, being negligible, is estimated at Nil.

(v) Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for perpetuity. The Holding Company has depreciated its leasehold property over the Lease period of 90 years.

(vi) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(vii) Cost of Property, Plant and Equipment not ready for intended use on the date of Consolidated Balance Sheet are disclosed as “Capital Work- in- Progress”.

(viii) The present value of the expected cost for the de-commissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions and provisions for further information about the recorded asset retirement obligation.

(b). Intangible Assets

(i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the Group and cost of the asset can be measured reliably in accordance with the notified Ind AS– 38 on “Intangible Assets”.

(ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

(iii) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(iv) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

Particulars	**Useful Life**
Computer Software	5 Years
Trade Mark (Except for Patents which has been taken as infinite)	10 Years

(c). Impairment of Non-Financial Assets

The Group 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 Group 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. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(d). Right of Use Asset (ROU)/Leases

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on the lease liability and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the Consolidated Statement of Profit and Loss.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the ROU asset. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term.

(e). Financial Instruments

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

(i) Financial Assets

Financial assets include investments, trade receivables, advances other than trade and capital related, security deposits and cash and cash equivalents.

<u>Initial Recognition and Measurement</u>

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Consolidated Statement of Profit and Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the Consolidated Balance Sheet at fair value with net changes in fair value recognised in the Consolidated Statement of Profit and Loss .

Derecognition

A financial asset is primarily derecognised when:

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

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

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

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

(ii) Financial Liabilities

Financial liabilities primarily comprise of borrowings, trade payables and deposits.

Initial Recognition and Measurement

At initial recognition all financial liabilities are recognized at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognized in the Consolidated Statement of Profit and Loss as finance cost.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at amortised cost

Financial liabilities are carried at amortized cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

For trade and other payables maturing within one year from the Consolidated Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Treasury Shares

The Holding Company has created an Organic India Employees Welfare Trust (trust) for the administration of providing share-based payment to its employees, and thus the trust has been treated as its extension (branch) and accordingly, all the assets and liabilities of the trust are accounted as assets and liability of the Holding Company after eliminating the treasury shares of the Holding Company held by ESOP Trust on the basis that the Trust is merely acting as an agent of the Holding Company.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the standalone statement of profit and loss on the purchase, sale, issue or cancellation of the Holding Company’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in general reserve. Share options exercised during the year are satisfied with treasury shares.

(iv) Derecognition of Financial Instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109 “Financial Instruments”.

A financial liability (or a part of a financial liability) is derecognized from the Group's Consolidated Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss except in case where Holding and subsidiary relationship exists, where it is adjusted against equity or in the Consolidated Statement of Profit and Loss proportionately based on the initial recognition of the said liability.

(v) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(f). Inventories

Inventories (including stock-in-transit) are stated at lower of cost being ascertained on weighted average cost basis and net realizable value. Cost of finished goods includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Work-in-Progress is valued at cost based on stage completion.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

Goods-in-transit are valued at cost comprising material cost and other direct overheads incurred till reporting date.

No valuation is done for damaged stock since its realizable value, if any, is negligible.

In the consolidated financial statements, unrealized profits on the inventories lying with the subsidiaries and associates has been adjusted.

An inventory provision is recognized for cases where the realizable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete/ slow-moving inventory items.

(g). Foreign Currencies Transactions and Translations

The functional currency of the Holding Company is the Indian Rupee. These consolidated financial statements are presented in Indian Rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Consolidated Balance Sheet date. The gains and losses resulting from such translations are included in net profit in the Consolidated Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Consolidated Statement of Profit or Loss are also recognized in Other Comprehensive Income or Consolidated Statement of Profit or Loss, respectively).

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled.

Translation of financial statements of foreign entities:

On consolidation, the assets and liabilities of foreign operations are translated into ` (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in the the Consolidated Statement of Profit and Loss as other comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the Consolidated Statement of Profit and Loss .

(h). Revenue form Contracts with Customers

i) Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from Sale of Products or Services are recognised at a point of time on which the performance obligation is satisfied.

ii) Insurance claims/Government Claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the Insurance Companies/Government Authorities.

iii) Dividend income from investments is recognized when the Group’s right to receive payment is established.

iv) Interest income is accounted for by using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets. When calculating the effective interest rate, the Group estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

v) Interest on Income tax refunds have been provided to the extent the same have been processed and admitted by the concerned authorities and received during the year.

(i). Government Grants

Grants received from Government are recognised when there is a reasonable assurance that the grant will be received upon by the Group complying with the conditions attached to the grant.

Accordingly, government grants:
(a). related to or used for assets, are deducted from the carrying amount of the asset.
(b). related to incurring specific expenditures are taken to the Consolidated Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
©. by way of financial assistance on the basis of certain qualifying criteria arecognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Consolidated Statement of Profit and Loss except in case of grant related to assets shall be recognized by increasing the carrying amount of the asset and cumulative depreciation that should have been recognized in the Consolidated Statement of Profit and Loss to date in the absence of grant shall be recognized immediately.

Export incentives are accounted for on accrual basis as and when processed and admitted by the concerned authorities. Income on sale of import licenses is accounted for at the time of sale due to uncertainties involved. However, all losses on account of such sales affected before the finalization of accounts have been accounted following the conservative accounting principle.

(j). Employee Benefits

(i) Short-Term Employee Benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the year when the employees render the services.

(ii) Post-Employment Benefits

Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.
The Group makes specified monthly contribution towards Provident Fund. The Group’s contribution is recognized as an expense in the Consolidated Statement of Profit and Loss during the year in which the employee renders the related service.

Defined Benefit Plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

All employees are covered under Employees’ Gratuity Scheme which is a defined benefit plan. The Holding Company contributes to an approved Employees’ Gratuity Fund maintained on behalf of the Holding Company which is subsequently paid by the fund to the Life Insurance Corporation of India as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognised in the Balance Sheet.

Defined benefit costs are recognised as follows:

a) Service cost in the Consolidated Statement of Profit and Loss
b) Net interest on the net defined benefit liability (asset) in the Consolidated Statement of Profit and Loss
c) Remeasurement of the net defined benefit liability / (asset) in Other Comprehensive Income

<u>Compensated leave of absence</u>
Accrual for leave encashment benefit is based on actuarial valuation as on the date of Consolidated Balance Sheet in pursuance of the Holding Company's leave rules.

(k). Share-Based Payments

i. Employee Stock Option Plan (ESOP):

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date in accordance with Ind AS 102, Share-Based Payment. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note 46.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Groups estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Consolidated Statement of Profit and Loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

ii. Employee Share Purchase Scheme (ESPS):

These are in the nature of employee benefit wherein the select employees shall be allowed to purchase the Holding Company's equity shares at the fair value on the grant cum allotment date on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. These are recognized at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note 47.

(l). Tax Expenses

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense comprises current and deferred tax. Tax is recognized in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Consolidated Balance Sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments and uses the approach that better predicts the resolution of uncertainty, the Group has considered, for example;

(a) How it prepares its income tax filings and supports tax treatments; or
(b) How the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Group determined, based on its tax compliance, the probability estimate that its tax treatments will be accepted by the taxation authorities.

Deferred Tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Consolidated Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

(m). Earnings Per Equity Share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the year in respect of dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(n). Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Assets retirement obligation (ARO)

The Group records a provision for assets retirement obligation towards store/ shop restoration activity. Assets retirement obligation are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill ARO and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Consolidated Statement of Profit and Loss.

(o). Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(p). Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under Short-Term Borrowings in the Consolidated Balance Sheet but netted off against cash and cash equivalent in Consolidated Cash Flow Statement.

(q). Dividend Distribution

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

(r). Research and Development

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss.

Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Expenditure on development activities in relation to formulations is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

(s). 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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. The fair value hierarchy classifies the inputs used to measure fair value into three levels, which are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Unobservable inputs for the asset or liability.

For financial assets and liabilities maturing within one year from the Consolidated Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(t). Derivative financial instruments

The Group uses derivative financial instruments such as cross currency swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financials instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(u). Borrowing Costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS-23 – “Borrowing Costs” are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Consolidated Statement of Profit and Loss in the year in which they are incurred.

(v). Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Consolidated Balance Sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

i) Represents a separate major line of business or geographical area of operations, or

ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, Or

iii) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Consolidated Statement of Profit and Loss.

(w). Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Holding Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets: The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April1, 2022, although early adoption is permitted. The Holding Company has evaluated the amendment and there is no impact on its consolidated financial statements.

3A. Property, Plant And Equipment and Capital Work In Progress

(Amount in INR Million)

a. Reconciliation of carrying amount

	Freehold land	Leasehold land	Building	Leasehold improvements	Furniture and fixtures	Display Equipment	Office equipment	Plant and Equipments	Vehicles	Computers	Total Tangible Assets	Total tangible Assets under Develpoment
Gross carrying value												
As at April 01, 2020	**160.80**	**0.00**	**423.21**	**55.35**	**54.90**	**5.91**	**18.19**	**588.19**	**1.95**	**33.64**	**1,342.14**	
Add: Additions made during the year	0.20	-	2.66	14.78	8.02	-	0.67	15.42	-	6.03	**47.78**	
Add: Acquisition on Business Combination	-	-	-	-	-	-	-	-	-	-	**-**	
Add: Foreign Currency Translation Reserve	-	-	-	(0.04)	(0.14)	(0.12)	(0.13)	-	-	(0.17)	**(0.60)**	
Less: Disposals / adjustments during the year	-	-	-	(4.39)	(7.89)	-	(3.37)	(9.87)	-	(0.46)	**(25.98)**	
As at March 31, 2021	**161.00**	**-**	**425.87**	**65.70**	**54.89**	**5.79**	**15.37**	**593.74**	**1.95**	**39.04**	**1,363.34**	**-**
Add: Additions made during the year	-	-	1.57	9.11	4.66	2.16	0.64	12.36	2.79	6.30	**39.59**	**1.77**
Less: Reclassified as Held for Sale	(148.93)	-	-	-	-	-	-	-	-	-	**(148.93)**	
Add: Foreign Currency Translation Reserve	-	-	-	0.01	0.15	0.20	0.13	-	-	0.31	**0.80**	
Less: Disposals / adjustments during the year	-	-	-	(4.91)	(0.04)	-	(0.03)	(10.36)	(0.27)	(2.47)	**(18.08)**	
As at March 31, 2022	**12.07**	**-**	**427.44**	**69.91**	**59.66**	**8.15**	**16.11**	**595.74**	**4.47**	**43.18**	**1,236.72**	**1.77**
Accumulated depreciation and impairment losses												
As at April 01, 2020	**-**	**-**	**21.91**	**20.75**	**14.26**	**2.31**	**8.40**	**110.33**	**1.89**	**17.64**	**197.49**	
Add: Depreciation charge for the year	-	-	14.04	18.89	5.63	1.04	3.06	66.19	0.04	6.97	**115.86**	
Add: Foreign Currency Translation Reserve	-	-	-	(0.02)	(0.08)	(0.06)	(0.09)	-	-	(0.12)	**(0.37)**	
Less: On disposals / adjustments during the year	-	-	-	(3.07)	(6.99)	-	(2.88)	(0.70)	-	(0.18)	**(13.82)**	
As at March 31, 2021	**-**	**-**	**35.95**	**36.55**	**12.82**	**3.29**	**8.49**	**175.82**	**1.93**	**24.31**	**299.17**	**-**
Add: Depreciation charge for the year	-	-	14.22	16.53	5.75	1.65	2.26	66.65	0.13	6.95	**114.14**	
Add: Foreign Currency Translation Reserve	-	-	-	0.01	0.04	0.11	0.08	-	-	0.22	**0.46**	
Less: On disposals / adjustments during the year	-	-	-	(4.43)	(0.01)	-	(0.02)	(9.84)	(0.27)	(2.40)	**(16.97)**	
As at March 31, 2022	**-**	**-**	**50.17**	**48.66**	**18.60**	**5.05**	**10.81**	**232.63**	**1.79**	**29.08**	**396.80**	**-**
Net carrying value												
As at March 31, 2022	**12.07**	**-**	**377.27**	**21.25**	**41.07**	**3.10**	**5.30**	**363.11**	**2.68**	**14.10**	**839.92**	**1.77**
As at March 31, 2021	**161.00**	**-**	**389.92**	**29.15**	**42.07**	**2.49**	**6.88**	**417.92**	**0.02**	**14.73**	**1,064.17**	**-**

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

1. Title deeds of all immovable properties are held in the name of the Group.

2. Capital work in progress

(Amount in INR Million)

Particulars	As on 01-04-2020	Additions During the year	Capitalised during the year	Closing as on 31-03-2021	Additions During the year	Capitalised during the year	As on 31-03-2022
Building Under Construction	1.07	-	1.07	-	-	-	-
Plant & Machinery under erection	2.82	0.59	3.41	-	-	-	-
Incidental Expenses Pending Capitalisation	-	-	-	-	-	-	-
-Salaries and Wages	0.40	-	0.40	-	-	-	-
-Interest Expense(net of income)	0.18	-	0.18	-	-	-	-
-Travelling & Coneyance	0.03	-	0.03	-	-	-	-
-Depreciation	0.15	-	0.15	-	-	-	-
-Legal & Professional	0.26	0.38	0.63	-	1.72	-	1.72
-(Gain) / Loss on Exchange Fluctuation	(0.01)	-	(0.01)	-	-	-	-
-Others	0.26	-	0.26	-	0.05	-	0.05
Total	**5.16**	**0.97**	**6.12**	**-**	**1.77**	**-**	**1.77**

3. For Tangible assets under development, the ageing schedule is as given below: (as per amended schedule III)

(Amount in INR Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Projects in progress:		
Less than 1 year	**1.77**	**-**
1-2 years	**-**	**-**
2-3 years	**-**	**-**
More than 3 years	**-**	**-**
Total	**1.77**	**-**

4. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment as per the details given below:

(Amount in INR Million)

As at April 01, 2016	Freehold land		Building	Leasehold improvements	Furniture and fixtures	Display Equipment	Office equipment	Plant and Equipments	Vehicles	Computers	Total Tangible Assets
Gross carrying value	159.24		13.24	0.02	10.13	-	4.36	92.65	2.27	11.57	293.48
Less: Accumulated Depreciation	-		3.99	-	4.96	-	3.07	41.22	1.46	9.16	63.86
Net carrying value	**159.24**		**9.25**	**0.02**	**5.17**	**-**	**1.29**	**51.43**	**0.81**	**2.41**	**229.62**

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

3B. Intangible assets

(Amount in INR Million)

a. Reconciliation of carrying amount

As at March 31, 2022	**Computer Software**	**Product Formulations**	**Website Design**	**Trademarks**	**Total Intangible Assets**	**Goodwill on consolidation**	**Total Intangible Assets (Including Goodwill)**	**Total Intangible Assets under Develpoment**
Gross carrying value								
As at April 01, 2020	**37.12**	**12.11**	**13.10**	**134.87**	**197.20**	**579.27**	**776.47**	**6.87**
Add: Additions made during the year	4.08	-	2.19	0.24	6.51	-	6.51	3.25
Add: Acquisition on Business Combination	-	-	-	-	-	-	-	-
Add: Foreign Currency Translation Reserve	(0.08)	-	(0.29)	(2.70)	(3.07)	(11.02)	(14.09)	(0.04)
Less: Reclassification to assets as held for sale	-	-	-	-	-	-	-	-
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	(1.90)
As at March 31, 2021	**41.12**	**12.11**	**15.00**	**132.41**	**200.64**	**568.25**	**768.89**	**8.18**
Add: Additions made during the year	2.67	-	-	7.89	10.56	-	10.56	12.77
Add: Foreign Currency Translation Reserve	0.17	-	0.48	4.30	4.95	17.69	22.64	0.26
Less: Disposals / adjustments during the year	(0.04)	-	-	-	(0.04)	-	(0.04)	(3.77)
As at March 31, 2022	**43.92**	**12.11**	**15.48**	**144.60**	**216.11**	**585.94**	**802.05**	**17.44**
Accumulated depreciation and impairment losses								
As at April 01, 2020	**17.42**	**-**	**3.78**	**29.12**	**50.32**	**-**	**50.32**	**-**
Add: Amortisation for the year	6.97	-	5.23	13.05	25.25	-	25.25	-
Add: Foreign Currency Translation Reserve	(0.08)	-	(0.13)	(0.72)	(0.93)	-	(0.93)	-
Less: Reclassification to assets as held for sale	-	-	-	-	-	-	-	
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-
As at March 31, 2021	**24.31**	**-**	**8.88**	**41.45**	**74.64**	**-**	**74.64**	**-**
Add: Amortisation for the year	8.16	-	4.00	13.08	25.24	-	25.24	-
Add: Impairment during the year (refer note 50)	-	-	-	-	-	47.96	47.96	-
Add: Foreign Currency Translation Reserve	0.11	-	0.34	1.60	2.05	0.72	2.77	-
Less: On disposals / adjustments during the year	(0.03)	-	-	-	(0.03)	-	(0.03)	-
As at March 31, 2022	**32.55**	**-**	**13.22**	**56.13**	**101.90**	**48.68**	**150.58**	**-**
Net carrying value								
As at March 31, 2022	**11.37**	**12.11**	**2.26**	**88.47**	**114.21**	**537.25**	**651.46**	**17.44**
As at March 31, 2021	**16.81**	**12.11**	**6.12**	**90.96**	**126.00**	**568.25**	**694.25**	**8.18**

3B. Intangible assets

	As at March 31, 2022 (Amount in INR Million)	As at March 31, 2021 (Amount in INR Million)
1. Goodwill on consolidation includes foreign currency translation reserve and represents :		
- on acquisition of 100% shares of Organic Indi a USA LLC.	339.53	329.76
- on acquisition of 50.01% shares of Clean Program Corp. by Organic Indi a	246.41	238.49
	585.94	**568.25**

2. For Intangible assets under development, the ageing schedule is as given below: (as per amended schedule III)

(Amount in INR Million)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Projects in progress:		
Less than 1 year	13.02	2.23
1-2 years	2.97	1.05
2-3 years	1.45	4.14
More than 3 years	-	0.76
Total	**17.44**	**8.18**

3. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Intangible Assets as per the details given below:

(Amount in INR Million)

As at April 01, 2016	**Computer Software**	**Website Design**	**Trademarks**	**Goodwill on consolidation**	**Total Intangible Assets**
Gross carrying value	8.77	1.83	3.67	301.18	315.45
Less: Accumulated Depreciation	6.21	1.83	3.29	-	11.33
Net carrying value	**2.56**	**-**	**0.38**	**301.18**	**304.12**

Note 3C - RIGHT OF USE ASSETS

(Amount in INR Million)

	Leasehold Land	Leasehold Vehicles	Leasehold Premises	Total Right Of Use Assets
Gross Carrying Value				
As at April 01, 2020	**74.25**		**330.35**	**404.60**
Add: Additions made during the year	1.78		72.03	73.81
Add: Foreign Currency Translation Reserve	-		(1.25)	(1.25)
Less: Disposals / Adjustments during the year	-		(106.44)	(106.44)
As at March 31, 2021	**76.03**	**-**	**294.69**	**370.72**
Add: Additions made during the year	-	3.97	87.49	91.45
Add: Foreign Currency Translation Reserve	-	-	1.70	1.70
Less: Disposals / Adjustments during the year	-	(3.97)	(75.73)	(79.70)
As at March 31, 2022	**76.03**	**-**	**309.05**	**384.18**
Accumulated Depreciation				
As at April 01, 2020	0.85		80.28	**81.13**
Add: Depreciation charge for the year	0.83	-	77.58	78.41
Add: Foreign Currency Translation Reserve	-	-	(0.45)	(0.45)
Less: On Disposals / Adjustments during the year	-	-	(68.13)	(68.13)
As at March 31, 2021	1.68	-	89.28	**90.96**
Add: Depreciation charge for the year	0.83	0.68	65.05	66.56
Add: Foreign Currency Translation Reserve	-	-	0.52	0.52
Less: On Disposals / Adjustments during the year	-	(0.68)	(51.86)	(52.54)
As at March 31, 2022	**2.50**	**-**	**102.99**	**105.50**
Net Carrying Value				
As at March 31, 2022	**73.53**	**0.01**	**206.56**	**278.68**
As at March 31, 2021	**74.35**	**-**	**205.41**	**279.76**

Notes:

1. Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation. Hence the Holding Company has depreciated its leasehold land over the period of 90 years. There is no future obligation/lease payment to be made in relation to finance lease mentioned above. Accordingly, there is no reconciliation between future minimum lease payments and their present value as on 31 March, 2022 and 31 March, 2021

2. Leasehold Premises represent properties taken on lease for its offices, retail outlets and warehouses accounted for in accordance with principles of Ind AS 116 ‘Leases’.

3. Ind AS 116 Leases:
(i) The Group’s lease asset primarily consist of leases for vehicles, land and buildings for retail outlets, offices and warehouses having different lease terms.

(ii) The following is the summary of practical expedients elected on initial application:
(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.
(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and for leases with variable rentals.
(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standard only to contracts that were previously identified as leases under Ind AS 17.
(e) Applied the practical expedient by not considering rent concessions occuring as a direct consequence of the Covid-19 pandemic that meets the conditions in paragraph 46B of Ind AS - 116 as lease modifications. The amount of the rent concession received for the year ended 31st March, 2022 and 31 March, 2021 amounting to INR 6.95 million and INR 14.41 million respectively has been recognised in the Consolidated Statement of Profit and Loss to reflect the change in lease payments for the reporting period that arise for the said rent concessions.
(f) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

(iii) The following is the carrying value of lease liability on the date of transition and movement thereof:

(Amount in INR Million)

Particular	31-Mar-22	31-Mar-21
Opening Balance	212.12	257.66
Additions during the year	88.72	65.18
Finance cost accrued during the year	16.89	16.37
Deletions during the year	(30.07)	(40.09)
Foreign Currency Translation Reserve	1.20	(0.80)
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	(6.95)	(14.41)
Payment of lease liabilities	(61.49)	(71.79)
Less: Reclassified on Liabilities held for sale	-	-
Closing Balance	**220.42**	**212.11**

(Iv) The weighted average incremental borrowing rate applied to lease liabilities is 8.0% p.a.

(v) Rental expense recorded for short-term leases for continuing operations and for discontinued operations (refer note 35) are as below:

Particulars	Amount (in INR Million)
31 March, 2022	73.28
31 March, 2021	85.76

(vi) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)
4 NON - CURRENT INVESTMENTS		
Investment in Equity Instruments		
Investment in Associate Companies		
2,328 Equity shares of Rs 10 each fully paid up of Nutriwel Health (India) Private Limited	1.39	1.39
Investments measured at cost	**1.39**	**1.39**
Add: Share of Accumulated Profit/(Loss) of Associate Companies	(1.49)	(1.49)
Add: Share of Other Comprehensive Income of Associate Companies	0.10	0.10
Total Investments measured at cost	**-**	**-**
Investment in Debentures		
Unsecured		
Investment in Associate Companies		
9% 11,908,623 Optional Convertible Debentures of Rs 10 each of Nutriwel Health (India) Private Limited	198.40	235.42
Add: Share of Accumulated Profit/(Loss) of Associate Companies	(11.42)	(7.81)
Add: Share of Other Comprehensive Income of Associate Companies	0.23	(0.03)
Total Investments measured at Fair Value through Profit & Loss	**187.21**	**227.58**
Investment in Others		
6% 5,687,538 Optionally Convertible Debentures of Rs 10 each of Composite Interceptive Med-Science Laboratories Private Limited	48.06	43.88
Total Investments measured at Amortised Cost	**48.06**	**43.88**
Total Non - Current Investments	**235.27**	**271.46**
Less: Provision for impairment in the value of investments	(48.06)	(43.88)
Total Non-Current Investments	**187.21**	**227.58**
Aggregate amount of unquoted investments	235.27	271.46
Aggregate amount of impairment in the value of investments	48.06	43.88

	AS AT March, 2022	AS AT March, 2021
Category-wise Non-Current Invetsment		
Financial assets carried at amortised cost	48.06	43.88
Financial assets measued at cost	-	-
Financial assets measured at fair value through other comprenhive income	-	-
Financial assets measured at fair value through profit or loss	187.21	227.58
Total Non-Current Investment	**235.27**	**271.46**

5 NON-CURRENT LOANS*		
Unsecured, considered good		
Advance to employees	29.12	33.75
	29.12	**33.75**
***Break up**		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	29.12	33.75
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**29.12**	**33.75**
Less: Allowance for doubtful Loans	-	-
Total Loans	**29.12**	**33.75**

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)
6 OTHER NON - CURRENT FINANCIAL ASSETS		
Other non-current bank balances *		
Security Deposits	15.27	18.68
Deposits with original maturity more than 12 months*	6.12	2.06
Interest accrued on loans and deposits	0.30	-
Forwards Contracts/Options Recoverable	1.67	2.22
	23.36	**22.96**
* under lien against bank guarantees and forward contracts with banks	3.21	2.06
7 NON - CURRENT INCOME TAX ASSETS		
Opening balance of Advance Tax (Net)	134.06	70.63
Less: Current tax payable for the year	(50.17)	(39.68)
Add: Taxes paid	35.02	104.58
Add : Foreign Currency Translation Reserve	(0.01)	-
Less: Tax provision for earlier years	9.36	(1.47)
Closing balance of Advance Tax (Net)	128.26	134.06
Advance Income Tax (net of provision of income tax)	128.26	134.06
Total Non - current income tax assets	**128.26**	**134.06**
8 DEFERRED TAX ASSETS / (LIABILITIES) - NET		
The balance comprises temporary differences attributable to:		
Stock Reserve on inter group company sales	42.94	36.39
Depreciation and Amortization	(74.39)	(107.11)
Lease Liabilities	43.51	56.20
Bonus and Exgratia Payable	4.75	3.80
Provision for retirement benefits	2.62	2.68
Provision for Leave Encashment	4.61	4.07
Other Disallowances under section 43B of IT Act	0.21	0.22
Provision for Doubtful Receivables and Advances	13.32	13.32
Provision for Non Moving Inventory	1.46	-
Discounting of Security Deposits	1.10	1.25
Discounting of Loan and Investments	14.76	-
Asset retirement obligation	1.12	0.78
Fair Value change in Derivative Instruments	(0.53)	2.97
Fair Value change in Investments	(10.83)	(21.70)
Carry Forward Losses	14.70	4.49
Exchange Difference on translation of Foreign Operations*	(19.31)	(18.06)
Other timing differences	10.29	6.55
Reclass of deferred tax asset on gratuity*	(0.16)	(0.18)
Total deferred tax assets/(liabilities) (Net)	**50.17**	**(14.33)**
Less: Asset disposed on sale of subsidiary	-	(0.36)
Total deferred tax assets/(liabilities) (Net) associated with continuing operations	**50.17**	**(14.69)**
*Impact has been taken to other comprehensive income		
9 OTHER NON - CURRENT ASSETS		
Unsecured, Considered Good		
Advance for capital	1.77	3.84
Prepaid expenses		
- Prepaid Employee Share Purchase Compensation	50.14	41.39
Others	-	1.15
Total other non - current assets	**51.91**	**46.38**
10 INVENTORIES		
Raw Materials	112.66	76.46
Packing Material	89.80	86.00
Work - in - Progress	168.32	134.12
Finished Goods		
- Manufactured	180.25	202.45
- Traded	168.45	144.45
Consumables & Promotional Items	10.37	10.99
Goods - in - Transit- Finished Goods	74.12	81.28
	803.97	**735.75**
Less: Provision for Non - Moving Inventory	(9.55)	(0.71)
Total inventories	**794.42**	**735.04**

- As per inventory taken,valued and certified by the Management

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)
11 TRADE RECEIVABLES		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	789.97	622.75
Trade Receivables which have significant increase in credit risk	51.55	52.48
Trade Receivables - credit impaired	-	-
	841.52	**675.23**
Less: Allowance for expected credit loss	(51.55)	(52.48)
Total trade receivables	**789.97**	**622.75**
Due from Related Parties		
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	41.67	34.26
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited (Entity controlled by directors)	1.67	2.14
- M/s LEV True Wellness Private Limited	-	0.01
- M/s Organic India Farmers Producer Co.Limited	0.11	0.01
- M/s Organic India Foundation	-	0.03
- Nutriwel Health India Private Limited (Associate)	1.88	7.66
Total trade receivables from related parties	**45.33**	**44.11**
Less: Allowance for expected credit loss	-	-
Net Trade Receivables from Related Parties	**45.33**	**44.11**

Note: The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of consolidated balance sheet. All of the Group's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for an expected credit loss of INR 51.55 Million (previous year INR 52.48 million) has been recorded.

For trade receivables outstanding, the ageing schedule is as given below:

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	633.81	41.46	74.74	24.11	15.84	789.97
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	41.61	2.59	4.95	1.42	0.98	51.55
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment/date of transaction					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	481.97	74.25	37.54	17.32	11.67	622.75
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	34.62	9.33	4.97	2.21	1.35	52.48
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

12 CASH AND CASH EQUIVALENTS

	31 March, 2022	31 March, 2021
Balances with banks		
-In Current Accounts	86.71	179.56
Deposits with maturity of less than three months	-	-
Cheque on hand	-	0.06
Cash on hand	0.17	0.21
Total cash & cash equivalents	**86.88**	**179.83**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	31 March, 2022	31 March, 2021
Deposits with original maturity of more than three months but less than twelve months*	3.39	23.06
Interest accrued on loans and deposits	0.08	-
Total bank balances other than cash & cash equivalents	**3.47**	**23.06**
* under lien against bank guarantees, Letter of credits and forward contracts with banks	2.71	23.06

14 CURRENT FINANCIAL ASSETS - LOANS*

	31 March, 2022	31 March, 2021
Unsecured, considered good		
Advances to Employees	18.41	12.86
Advance to Related Parties**	-	3.95
Other Loans	6.00	5.00
	24.41	**21.81**
Less: Allowance for expected credit loss	-	-
Total current financial assets - loans	**24.41**	**21.81**
**Due from Key Management Personnel		
- Dr. Alejandro Junger	-	3.95
***Break up**		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	24.41	21.82
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**24.41**	**21.82**
Less: Allowance for expected credit loss	-	-
	24.41	**21.82**

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)
15 CURRENT FINANCIAL ASSETS - OTHERS		
Security Deposits	17.57	7.00
Forwards Contracts/Options Recoverable	9.19	6.34
Total current financial assets - others	**26.76**	**13.34**
16 OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Prepaid expenses		
- Prepaid Employee Share Purchase Compensation	16.86	27.54
- Other Prepaid Expenses	38.49	30.29
Advance to supplier		
- Considered Good	41.85	44.05
- Considered Doubtful	2.07	2.07
Advances recoverable in cash or kind	-	9.06
Goods and Service Tax Input Credit Recoverable	252.95	252.22
Recoverable from Government Authorities	24.08	25.55
Duty Drawback Receivable	3.02	2.19
Incremental Export Incentivisation Scheme		
- RoDTEP Receivable	5.15	-
- MEIS Scrips Receivable	16.47	29.90
Other Recoverable	7.92	-
	408.86	**422.87**
Less: Allowance for Doubtful Advances	(2.07)	(2.07)
Total other current assets	**406.79**	**420.80**

17 EQUITY SHARE CAPITAL

Particulars	AS AT 31ST MARCH, 2022		AS AT 31ST MARCH, 2021	
	No of Shares	Amount (in INR Million)	No of Shares	Amount (in INR Million)
AUTHORISED SHARE CAPITAL				
Equity Shares of Rs 10/- each	89,400,000	894.00	89,400,000	894.00
	89,400,000	**894.00**	**89,400,000**	**894.00**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of Rs.10/- each fully paid up	82,702,497	827.02	82,702,497	827.02
	82,702,497	**827.02**	**82,702,497**	**827.02**

a). Terms/rights attached to Equity Shares

The Holding Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of equity shares is entitled to dividends as and when the Holding Company declares and pays dividend after obtaining shareholders approval. The Holding Company declares and pays dividend in Indian Rupees.

The Board has not proposed any dividend for the year ended 31st March, 2022 and 31st March, 2021

In the event of liquidation of the Group, the equity shareholders are eligible to receive the remaining assets of the Group, after distribution of all preferential amounts, in proportion to their shareholding.

b). Shares held by Ultimate holding and/or their subsidiaries/ associates

Out of the equity shares issued by the Holding Company, shares held by Ultimate holding Company are as below:

Equity Shares	AS AT 31ST MARCH, 2022		AS AT 31ST MARCH, 2021	
	No of Shares	Amount (in INR Million)	No of Shares	Amount (in INR Million)
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited) (Equity shares of Rs. 10/- each)	52,751,805	527.52	42,503,469	425.03

c) The details of shareholding of promoters as at 31 March, 2022 and 31 March, 2021 is set out below: (as per amended schedule III)

Name of shareholder	AS AT 31ST MARCH, 2022			AS AT 31ST MARCH, 2021		
	No of Shares	% of shareholding	% changes during the year	No of Shares	% of shareholding	% changes during the year
Equity Shares of Rs. 10/- each fully paid up						
OI (India) Holdings, LLC	26,406,564	31.93%	-27.96%	36,654,900	44.32%	0.00%
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	52,751,805	63.79%	24.11%	42,503,469	51.39%	0.00%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d). The details of shareholders holding more than 5% shares as at 31 March, 2022 and 31 March, 2021 is set out below:

Name of shareholder	AS AT 31ST MARCH, 2022		AS AT 31ST MARCH, 2021	
	No of Shares	Percentage	No of Shares	Percentage
Equity Shares of Rs. 10/- each fully paid up				
OI (India) Holdings, LLC	26,406,564	31.93%	36,654,900	44.32%
Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	52,751,805	63.79%	42,503,469	51.39%

e). The reconciliation of the number of shares outstanding as at 31 March, 2022 and 31 March, 2021 is set out below:

Particulars	AS AT 31ST MARCH, 2022		AS AT 31ST MARCH, 2021	
	No of Shares	Amount (in INR Million)	No of Shares	Amount (in INR Million)
Equity Shares of Rs. 10/- each fully paid up				
Number of shares in the beginning	82,702,497	827.02	80,191,300	801.91
Add: Shares issued to employees by Organic India Welfare Trust under Employee Share Purchase Scheme*	-	-	2,511,197	25.11
Number of shares at the end	**82,702,497**	827.02	**82,702,497**	827.02

*During the previous year, the Holding Company has allotted 25,11,197 Equity shares having face value of Rs. 10/- each at a premium of Rs. 28/- per equity share aggregating to Rs. 95.43 million fully paid up to employees through Organic India Employees Welfare Trust pursuant to the Organic India Private Limited Employee Share Purchase Scheme 2021. Out of the said allotted equity shares, 41,550 equity shares held by Organic India Employees Welfare Trust as on 31st March, 2021 for issuance to employees of the Holding Company under Organic India Private Limited Employee Share Purchase Scheme 2021 have been treated as treasury shares and reduced from the equity. (Refer Note 47)

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)
18 OTHER EQUITY		
Summary of Other Equity Balance		
Attributable to Owners		
Reserves & Surplus		
General Reserve	18.14	16.57
Securities Premium	249.48	250.82
Stock Option Outstanding Account	46.13	26.24
Treasury Shares	(0.90)	(0.42)
Retained Earnings	1,127.42	1,070.51
Remeasurements of the net defined benefit Plans (Net of tax)	0.99	0.55
Other Comprehensive Income		
Foreign Currency Translation Reserve	63.61	59.44
	1,504.87	1,423.71
Non Controlling Interest	179.16	212.46
	1,684.03	**1,636.17**

Nature and purpose of each reserves

a) General reserve
This reserve represents appropriation of Profits after dividend from Surplus in Consolidated Statement of Profit and Loss at each year end. The same can be utilized by the Group in accordance with the provisions of the Companies Act, 2013.

b) Securities premium
The amount received in excess of face value of equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

c) Stock Option Outstanding Account
This reserve relates to Stock Options Granted by the Holding Company and the Subsdiary Company to its employees under their stock option schemes. This reserve is transferred to Securities Premium and Retained Earnings on exercise or cancellation of the vested options.

d) Retained Earning
Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Foreign Currency Translation Reserve
Exchange differences arising on translation of assets, liabilities, incomes and expenses of the Group's foreign subsidiaries are recognised in Other Comprehensive Income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the Consolidated Statement of Profit and Loss on disposal of the related foreign subsidiaries.

f) Revaluation Reserve
This reserve relates to revaluation gain arising on change to revaluation model from cost model of accounting for certain class of assets (i.e. freehold land, leasehold land and buildings) as at 1st April 2020.

f) Remeasurements of the Net Defined Benefit Plans
Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in Other Comprehensive Income.

	AS AT 31 March, 2022	AS AT 31 March, 2021
19 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Term Loan		
Secured		
- Citi Bank NA*	81.27	235.99
- Standard Chartered Bank *	35.29	82.35
Unsecured		
Loans from Related Parties		
OI (US) Holdings LLC*	128.61	124.49
	245.17	**442.83**
Less: Current Maturity of Long Term Debt shown under Note no 23	(116.56)	(204.39)
Total non-current financial liabilities - borrowings	**128.61**	**238.44**

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)

* Details of Term Loans are as follows:

As at March 31, 2022

Particulars	Purpose and Terms of Repayment	Securities Provided	Rate Of Interest	Upto 1 year	1-5 years
CITI Bank	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018	(a) First Pari passu charge on entire movable fixed assets of the Company (Present and future)	2.9% p.a. including hedging of Libor.	81.27	-
	(b) Repayable in 16 equal quarterly installments of USD 5,37,109 each commencing from November 2018 and ending August 2022.	(b) First Pari passu charge on entire immovable fixed assets of the Company (Present and future)			
Standard Chartered Bank	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018	(a) first pari passu charge by way of equitable mortgage over factory land & building situated at Agro Park, UPSIDC Near Kursi Road Barabanki. (b) over entire movable fixed assets of Company along with those created at new plant. (c) first pari passu charge by way of equitable mortgage over land and building at Plot no 266, Faizabad road, Kamta, Post Chinhat, Lucknow - 227105	The loan carry interest rate of 6.1% per annum. The Company has further entered in to a cross currency swap agreement with the bank and converted its loan to a equivalent foreign currency loan with interest rate @ 2.9% on the outstanding foreign currency amount.	35.29	-
	(b) Repayable in 17 equal quarterly installments of ₹ 1,17,64,706 each commencing from October 2018 and ending October 2022.				
OI (US) Holdings LLC	(a) Purpose - For meeting working capital requirements. (b) Repayable at the end of five years from the date	No charge has been created on the assets of the Group.	The loan carry interest rate of 4% per annum payable quarterly.	-	128.61

The Group has been regular in payment of principal and interest as stipulated in respect of the above mentioned loans and has registered the charges with the Registrar of Companies, within the stipulated period prescribed under the Companies Act, 2013.

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)

As at March 31, 2021

Particulars	Purpose and Terms of Repayment	Securities Provided	Rate Of Interest	Upto 1 year	1-5 years
CITI Bank	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018	(a) First Pari passu charge on entire movable fixed assets of the Company (Present and future)	2.9% p.a. including hedging of Libor.	157.33	78.66
	(b) Repayable in 16 equal quarterly installments of USD 5,37,109 each commencing from November 2018 and ending August 2022.	(b) First Pari passu charge on entire immovable fixed assets of the Company (Present and future)			
Standard Chartered Bank	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018	(a) first pari passu charge by way of equitable mortgage over factory land & building situated at Agro Park, UPSIDC Near Kursi Road Barabanki. (b) over entire movable fixed assets of Company along with those created at new plant. (c) first pari passu charge by way of equitable mortgage over land and building at Plot no 266, Faizabad road, Kamta, Post Chinhat, Lucknow - 227105	The loan carry interest rate of 6.1% per annum. The Company has further entered in to a cross currency swap agreement with the bank and converted its loan to a equivalent foreign currency loan with interest rate @ 2.9% on the outstanding foreign currency amount.	47.06	35.29
	(b) Repayable in 17 equal quarterly installments of ₹ 1,17,64,706 each commencing from October 2018 and ending October 2022.				
OI (US) Holdings LLC	(a) Purpose - For meeting working capital requirements. (b) Repayable at	No charge has been created on the assets of the Group.	The loan carry interest rate of 4% per annum payable quarterly.		124.49

The Group has been regular in payment of principal and interest as stipulated in respect of the above mentioned loans and has registered the charges with the Registrar of Companies, within the stipulated period prescribed under the Companies Act, 2013.

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)
20 NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES		
Lease Liability	181.87	164.05
Total non-current financial liabilities - lease liabilities	**181.87**	**164.05**
21 NON-CURRENT OTHER FINANCIAL LIABILITIES		
Security Deposits Received	37.64	36.58
Forwards Contracts/Options and Swap Payables	1.98	8.42
Total non-current other financial liabilities	**39.62**	**45.00**
22 NON-CURRENT PROVISIONS		
Provision for Employee Benefits		
- Gratuity	9.76	9.72
- Leave Encashment	16.16	14.20
Provision for Asset Retirement Obligations	4.34	2.82
Total non-current provisions	**30.26**	**26.74**

(i) Information about individual provisions and significant estimates

a) Provision for asset retirement obligation- A provision has been recognised for Asset retirement obligation costs associated with the stores taken on operating lease by the Group. The Group is committed to return the stores in as is position at the expiry of those leases. The Group has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

Provision for Asset Retirement Obligations

Balance at the beginning	2.82	2.66
Provision during the year	1.70	0.17
Amounts utilized / written back during the year	0.17	0.01
Balance at the end	**4.35**	**2.82**

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)
23 CURRENT FINANCIAL LIABILITIES -BORROWINGS		
Secured		
Current Maturity of Long Term Debt(Refer Note 19)	116.56	204.39
-Axis Bank*		
- Working Capital Demand Loan (WCDL)	266.93	200.00
-Citi Bank, N.A.**		
- Packing Credit Foreign Currency (PCFC)	159.42	25.00
- Working Capital Demand Loan (WCDL)	35.78	172.10
-Line of Credit#	189.14	142.80
-Standard Chartered Bank***		
-Bank Overdraft	33.61	77.56
- HDFC Bank****		
- Working Capital Demand Loan (WCDL)	21.52	128.83
Total current financial liabilities - borrowings	**822.96**	**950.68**

* The Holding Company had been sanctioned secured cash credit, working capital demand loan and Export credit Limits (pre shipment and post shipment) from Axis Bank Ltd amounting to INR 3,00 Million for financing the short term working capital requirements.
The said facilities are secured by first pari-passu charge on present and future current assets of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company. The interest rate for the said facilities is as below
a. Pre shipment credit - 3 Month MCLR + 0.25% p.a.
b. Post shipment credit - 3 Month MCLR + 0.25% p.a.
c. WCDL - 3 Month MCLR + 0.05% p.a
d. Cash Credit - 3 Month MCLR + 0.85% p.a
The Holding Company has been regular in payment of principal and interest as stipulated.

** The Holding Company had been sanctioned secured Cash Credit, working capital demand loan and Packing Credit facilities from Citibank N.A. amounting to INR 200 Million for financing short term working capital requirements. The said facilities are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Company. The interest rate for the said facilities is as below:
a. Packing credit - Libor + 90bps
b. WCDL - 313 bps per annum
The Holding Company has been regular in payment of principal and interest as stipulated.

The Subsidiary Company, Organic India USA LLC, has been sanctioned secured Line of Credit from CitiBank N.A. for financing short term working capital requirements amounting to USD 3 Million. The said credit carrires an interest rate of 2% above the base rate as defined in the agreement payable quarterly(effective rate 3%) and is secured against the inventory of the said Subsidiary Company. The said Line of Credit facility is repayable on demand.

*** The Holding Company had been sanctioned secured cash credit, bank overdraft, working capital loan and export credit limits from Standard Chartered Bank amounting to INR 100 Million for financing short term working capital requirements. The said facilities carry interest rate based on 1-6 Month MCLR as on the date of availment of the facility. and are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company.
The Holding Company has been regular in payment of principal and interest as stipulated.

**** The Holding Company has been sanctioned secured cash credit, working capital demand loan and export credit limits from HDFC Bank Limited to INR 150 Million for financing short term working capital requirements. The said facilities carry interest rate between 7.30% to 8.00% p.a. and are secured against first pari-passu charge on current assets present and future of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company.
The Holding Company has been regular in payment of principal and interest as stipulated.

The Group has registered the charges with the Registrar of Companies within the stipulated period prescribed under the Companies Act, 2013.

24 CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES		
Lease Liabilities	38.54	48.07
Total current financial liabilities - lease liabilities	38.54	48.07

	AS AT 31 March, 2022 (Amount in INR Million)	AS AT 31 March, 2021 (Amount in INR Million)
25 TRADE PAYABLES		
For Goods and Services		
- Due of micro enterprises and small enterprises (Refer Note 51)	62.83	42.45
- Due of creditors other than micro enterprises and small enterprises	522.91	324.89
Total trade payables	**585.74**	**367.34**

For trade payables outstanding, the ageing schedule is as given below:

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment/date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	62.83	-	-	-	62.83
(ii) OTHERS	438.77	7.27	6.40	-	452.44
(iii) DISPUTED DUES - MSME	-	-	-	-	-
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-
(v) UNBILLED - MSME	-	-	-	-	-
(vi) UNBILLED - OTHERS	70.47	-	-	-	70.47

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment/date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	42.45	-	-	-	42.45
(ii) OTHERS	291.92	0.81	-	0.25	292.98
(iii) DISPUTED DUES - MSME	-	-	-	-	-
(iv) DISPUTED DUES - OTHERS	-	-	-	-	-
(v) UNBILLED - MSME	-	-	-	-	-
(vi) UNBILLED - OTHERS	31.91	-	-	-	31.91

26 CURRENT FINANCIAL LIABILITIES - OTHERS		
Interest accrued but not due on borrowings	2.21	3.49
Payable for capital goods	3.38	10.98
Security Deposits Received	56.03	50.09
Forwards Contracts/Options and Swap Payables	6.76	11.92
Employee Related Payable	47.47	47.33
Total current financial liabilties - others	**115.85**	**123.81**
27 OTHER CURRENT LIABILITIES		
Advance from Customers	4.01	7.67
Statutory Dues	19.65	14.86
Refund Liabilities*	22.66	17.37
Deferred Interest - Current	-	43.66
Total other current liabilities	**46.32**	**83.56**
*** Movement of Refund Liabilities**		
Balance at the beginning of the year	17.37	15.53
Add: Additions during the year	22.66	17.37
Less: Utilised during the year	17.37	15.53
Balance at the end of the year		
Balance at the end of the year	**22.66**	**17.37**
28 CURRENT PROVISIONS		
Provision for Employee Benefits		
- Leave Encashment	2.18	1.97
Provision for Asset Retirement Obligations	0.10	0.18
Total current provisions	**2.28**	**2.15**

a) Provision for asset retirement obligation- A provision has been recognised for asset retirement obligation costs associated with the stores taken on operating lease by the Group. The Group is committed to return the stores in as is position at the expiry of those leases. The Group has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

(i) Movement in Provisions during the year

Provision for Asset Retirement Obligations		
Balance at the beginning	0.18	0.06
Provision during the year	0.11	0.16
Amounts utilized / written back during the year	0.19	0.04
Balance at the end	**0.10**	**0.18**

	FOR THE YEAR ENDED 31ST MARCH, 2022 (Amount in INR Million)	FOR THE YEAR ENDED 31ST MARCH, 2021 (Amount in INR Million)
29 Revenue from operations		
Sale of Products		
- Domestic	3,453.29	3,597.34
- Exports	362.18	271.58
	3,815.47	3,868.92
Other Operating Revenue		
Government Grants*		
- Duty Drawback Received / Export Incentives / MEIS Scrips Received	36.34	35.38
- Paycheck Protection Program Forgiveness	-	43.43
Total revenue from operations	3,851.81	3,947.73

*Refer note 39 for disclosure on government grants.

Details of Products Sold		
- Herbal Infusions	1,464.34	1,600.09
- Ayurvedic Medicines(Formulations)	1,096.67	1,044.56
- Psyllium	210.26	255.15
- Dehydrated Fruits & Vegtables	116.88	12.24
- Body Care	17.87	16.62
- Others	909.45	940.26
	3,815.47	3,868.92
Reconciliation of Revenue with Contracted Price		
Revenue as per contracted price	4,226.22	4,383.14
Adjustments		
Discounts and Rebates	388.09	482.68
Rebate for Expiry	22.66	31.54
	410.75	514.22
Revenue from contract with customers	3,815.47	3,868.92
The Table below represents summary of contracts and liabilities relating to the customers:		
Contract Assets : Trade Receivables	841.52	675.23
Contract Liabilities : Advance from customers	4.01	7.67

30 Other income		
Interest Income		
Bank Deposits	0.88	2.33
Loan	0.51	0.29
Debentures	16.62	15.95
Rewinding of Interest on Leased deposits measured at amortised cost	1.54	1.39
Others	3.44	-
Credit Balances Written Back	8.44	15.05
Net Gain arising on Forward Contracts & Options measured at FVTPL	7.37	21.72
Net Gain arising on Cross Currency Swaps measured at FVTPL	1.02	5.43
Net Gain arising on financial assets measured at FVTPL	-	6.62
Foreign Exchange Gain	12.52	18.45
Provision for Doubtful Debts Written Back	0.92	-
Gain arising on disposal of Right of Use Assets	3.78	2.09
Provision for Sales Tax Forms Written Back	-	0.24
Provision for Non Moving Inventory Written Back	-	16.88
Provision for Asset Retirement Obligation written back	0.23	0.04
Excess Provision Written back	3.77	2.46
Miscellaneous Receipts	4.40	1.84
Total other income	65.44	110.78

31 Cost of materials consumed		
Opening Stock	173.44	250.13
Add: Purchases	906.55	928.84
	1,079.99	1,178.97
Less: Closing Stock	212.83	173.44
Total cost of material consumed	867.16	1,005.53

	FOR THE YEAR ENDED 31ST MARCH, 2022	FOR THE YEAR ENDED 31ST MARCH, 2021
32 (Increase) / Decrease in inventories of Finished Goods and Work-in-Progress		
Opening inventory		
Finished Goods		
- Manufactured	202.45	380.14
- Traded	144.45	74.18
- Goods in Transit- Finished Goods	81.28	16.55
Work-in-Progress	134.12	78.86
	562.30	549.73
Closing inventory		
Finished Goods		
- Manufactured	180.25	202.45
- Traded	168.45	144.45
- Goods in Transit- Finished Goods	74.12	81.28
Work-in-Progress	168.32	134.12
	591.14	562.30
Total (Increase) / Decrease in Inventories of Finished Goods and Work in Progress	**(28.84)**	**(12.57)**
33 Employee benefits expense		
Salaries and wages	705.12	587.02
Contribution to Provident Fund & Other Funds	31.61	27.99
Contribution to Employee State Insurance Scheme	1.24	1.23
Employee Stock Options Compensation Expense	21.44	26.53
Employee Share Purchase Compensation Expense	0.57	0.23
Staff Welfare Expenses	19.39	14.70
Total employee benefit expense	**779.37**	**657.70**
34 Finance costs		
Interest Expense		
Term Loan	9.06	25.34
Loan Processing Charges	2.86	1.53
WCDL / Bank Overdraft	52.13	47.61
Others	4.28	3.87
Unwinding of Discount on Asset Retirement Obligation	0.16	0.22
Unwinding of Discount onFinancial Liabilities measured at amortised cost	-	0.08
Lease Liability	16.89	16.37
Total finance cost	**85.38**	**95.02**

	FOR THE YEAR ENDED 31ST MARCH, 2022	FOR THE YEAR ENDED 31ST MARCH, 2021
35 Other expenses		
Manufacturing Expenses		
Processing Expenses	8.23	2.07
Power & Fuel	27.65	31.86
Administrative Expenses		
Rent	73.28	85.76
Repair and maintenance		
- Building	9.88	5.70
- Computers, machinery and other equipments	36.26	25.58
- Others	15.42	18.17
Freight outward	241.46	208.93
Insurance (Net of Recovery)	28.32	21.53
Travelling Expenses (includes Conveyance and Vehicle Running)	51.37	39.00
Legal and Professional Expenses	164.21	173.05
Auditor's Remuneration (Refer Details Below)	3.27	3.32
Debit Balances written off	1.96	5.05
Communication Expenses	7.84	8.90
Corporate Social Responsibility Expenses	3.20	5.86
Bad Debt written off	16.40	31.88
Provision for Doubtful debts and advances	-	0.82
Provision for Non Moving Inventory	5.27	-
Provision for impairment of Investments	5.56	43.88
Obsolete Stock Written off	4.43	51.08
Inventory Disposal Expense	0.72	-
Provision for Obsolete Inventory	3.56	-
Provision for Impairment of Goodwill (refer note 50)	47.96	-
Certification Expenses	19.59	12.24
Product Liability	5.96	7.34
Community Development Expenses	1.05	0.25
Rates & Taxes	18.91	20.88
Lab Expenses (includes Testing Expenses)	23.57	12.12
Printing & Stationery	1.74	1.49
Security Charges	6.60	7.33
Donation	0.09	15.43
Net Loss arising on financial assets measured at FVTPL	46.67	-
Loss on Sale/Discard of Property Plant and Equipment (Net)	0.42	2.68
Loss On Sale Of Govt. Incentive Scrips	3.21	-
Miscellaneous Expenses	17.27	25.07
Research and Development Expenses	0.39	0.39
Royalty	11.02	11.79
Business Support / Management Fee	86.26	60.71
Bank Charges	21.46	28.00
Selling Expenses		
Samples	48.16	75.42
Settlement Claims	-	22.93
Business Promotion	415.93	589.94
Commission and Brokerage	110.31	134.42
Total Other Expenses	**1,594.86**	**1,790.87**
Payments to Auditors		
- Audit Fee	1.88	1.43
- Goods & Services Tax Audit Fee	1.19	1.76
- Certification Expenses	0.20	0.13
Total	**3.27**	**3.32**

	FOR THE YEAR ENDED 31ST MARCH, 2022	FOR THE YEAR ENDED 31ST MARCH, 2021
36 Tax expense		
(a) Tax expense recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	(50.17)	(39.68)
Adjustments/(credits) related to previous years (net)	9.37	(1.47)
Total (A)	**(40.80)**	**(41.15)**
Deferred Tax		
Orignation and reversal of temporary differences(net of valuation allowance)	66.17	(0.73)
Attributable to Continuing Operations	66.17	(0.73)
Attributable to Discontinued Operations	-	-
Total (B)	**66.17**	**(0.73)**
Total (A+B)	**25.37**	**(41.88)**

(b) Movement in Deferred income tax (Expense) / Income, net

	FOR THE YEAR ENDED 31ST MARCH, 2022	FOR THE YEAR ENDED 31ST MARCH, 2021
Stock Reserve on inter group sales	6.55	(7.58)
Depreciation and Amortization	30.77	6.34
Lease Liabilities	(10.81)	1.28
Bonus & Exgratia Payable	0.95	0.82
Provision for retirement benefits	0.07	0.14
Provision for Leave Encashment	0.54	0.22
Other Disallowances under section 43B of Income Tax Act	(0.01)	(0.05)
Provision for doubtful receivables and advances	-	2.65
Provision for Non Moving Inventory	1.46	(1.19)
Discounting of Security deposits	(0.21)	0.01
Discounting of Loans	14.76	-
Fair Value change in Investments	10.87	(1.54)
Asset Retirement Obligations	0.36	0.07
Reclass of deferred tax asset on gratuity*	(0.05)	(0.49)
Exchange Difference on translation of Foreign Operations	(1.25)	(8.42)
Fair Value Change in Derivative Intruments	(3.49)	(6.51)
Carried Forward Losses	10.72	3.99
Others	3.65	0.62
	64.88	**(9.64)**
Less: Impact taken to Other Comprehensive Income	(1.30)	(8.91)
Net Deferred Tax (Expense) / Income recognised in Statement of Profit and Loss	**66.17**	**(0.73)**
Net Deferred Tax Expense/Income attributable to Continuing Operations	66.17	(0.73)
Net Deferred Tax Expense/Income attributable to Discontinued Operations	-	-

(c) Amounts recognised in Other Comprehensive Income

The tax (charge)/ credit arising on income and expenses recognised in Other Comprehensive Income is as follows:

	FOR THE YEAR ENDED 31ST MARCH, 2022	FOR THE YEAR ENDED 31ST MARCH, 2021
On items that will not be reclassified to Profit or Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	(0.05)	(0.49)
Revaluation of Property, Plant & Equipment and Right of Use Assets	-	-
Exchange Difference on translation of Foreign Operations	(1.25)	(8.42)
Total	**(1.30)**	**(8.91)**

(d) Reconciliation of effective tax rate
The income tax expenses for the year can be reconciled to the accounting profit as follows:

	FOR THE YEAR ENDED 31ST MARCH, 2022	FOR THE YEAR ENDED 31ST MARCH, 2021
Profit / (Loss) before tax	(8.21)	72.95
Tax using the Company's domestic tax rate (25.168%)*	(2.06)	18.48
Tax effect of:		
Non-deductible tax expenses		
Effect of tax related to expenses not deductible for income tax	12.24	1.67
Effect of tax related to previous years	(9.05)	1.47
Effect of Tax on Indexation	(3.43)	(3.05)
Effect of Tax on Elimination of Stock Reserve	(6.55)	7.54
Effect of Difference in rates	2.25	3.59
Effect of tax on loss of the subsidiary on which deferred tax not recognised	(4.50)	1.54
Others	(14.27)	10.64
	(25.37)	**41.88**

* Provision for income tax has been computed by considering that the Holding Company opts for payment of income tax as per the provisions of Section 115BAA of the Income Tax Act, 1961.

37 Contingent liabilities and commitments

	As at 31 March, 2022 (Amount in INR Million)	As at 31 March, 2021 (Amount in INR Million)
A Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debt		
- FSSAI Demands not provided for*	3.00	3.00
-Income Tax demands under appeals not provided for**	113.55	108.12
- Labour law demand under appeals***	2.30	2.45
- VAT Demands not provided for#	17.50	17.50
- Civil Demands not provided for****	0.47	0.47

* Demands had been received from Food Safety and Standards Authority of India (FSSAI) by the Holding Company in the previous years against which adverse orders have been received by the Holding Company. However, no provision has been made for demand as the final order has not yet been issued by FSSAI and the Holding Company is hopeful to get favourable order in this regard.

-Value Added Tax demands under appeals not provided for
i) The Holding Company had filed an application with Commissioner in previous years for clarification of the applicable rates under Value Added Tax Act with respect to certain products, for which the order was received and was challenged by the Holding Company by filing an appeal with the Commercial Tax Tribunal. During the previous year, the said Tribunal has upheld the order as passed by the Commissioner, which has been further challenged by the Holding Company in Honourable High Court, Lucknow. No provision has been made in the books in this regard as the Holding Company is hopeful of getting a favourable order in the said matter. However, if the appeal is not decided in favour of the Holding Company, a liability of INR 17.5 Million (as estimated by the Holding Company) may arise in this regard in addition to interest and penalties as may be applicable.

** - Income Tax demands under appeals not provided for includes certain demand with respect to prior years in addition to the following:

i) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2016-17 amounting to INR 85.25 Million out of which INR 17.05 Million has been deposited with the department and an appeal against the said order has been filed before the Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

ii) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2017-18 amounting to INR 22.87 Million, out of which INR 4.57 Million has been deposited with the department and an appeal against the said order has been filed before the Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

*** Few ex-employees of the Holding Company had filed complaints in Industrial/Labour Court of Lucknow against the Holding Company challenging their termination and no provision has been made for the said demands in the books as the Holding Company has represented to the authorities and is hopeful of getting a favourable order in this regard.

**** A vendor has filed a recovery suit against the Holding Company for non payment of the goods rejected and returned to them and no provision has been made for the demand in the books as the Holding Company has contested the same and is hopeful of getting a favourable order in this regard.

(b) The Holding Company has received a notice from the Enforcement Directorate, FEMA Lucknow for investigation under the provisions of Foreign Exchange Management Act,1999 with respect to the Foreign Direct Investments(FDI) received during the Financial Year 2006-07 to Financial Year 2008-09. No liability is likely to arise in this regard as the Holding Company has satisfactorily replied against the said notice received from the said authority.

B Capital and Other Commitments:

	As at 31 March, 2022 (Amount in INR Million)	As at 31 March, 2021 (Amount in INR Million)
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	6.31	12.39

(b) Lease Commitments:
The Group has entered into operating leases for its stores/retail outlets and office premises at various locations across India. The lease commitments (Minimum Lease Payments) towards non cancellable leases is not applicable as the lease payments have been considered in lease liability as per Ind AS - 116.:

38 Earnings per equity share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding 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 of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the year in respect of dilutive potential equity shares 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:

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Weighted average number of equity shares for Basic EPS		
Weighted average number of equity shares (Nos.)	82,663,432	80,205,238
Nominal value of equity shares	10	10
Profit after tax from continuing operations attributable to equity holders of the Holding Company	56.91	29.33
Earnings per equity share		
-basic	0.69	0.37
-diluted	0.69	0.37
(Loss) after tax from discontinued operations attributable to equity holders of the Holding Company	-	(15.03)
Earnings / (Loss) per equity share		
-basic	-	(0.19)
-diluted	-	(0.19)
Profit / (Loss) after tax from continuing and discontinued operations attributable to equity holders of the Holding Company	56.91	14.30
Earnings per equity share		
-basic	0.69	0.18
-diluted	0.69	0.18
Weighted average number of equity shares for Diluted EPS		
Number of shares considered as weighted average shares outstanding for Basic EPS	82,663,432	80,205,238
Add: Effect of Stock Options Granted	-	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	82,663,432	80,205,238

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

39 Government grants

(a) The Holding Company has recognised INR 36.34 million and INR 35.38 million for Duty Drawback / Export Incentives in the Consolidated Statement of Profit and Loss for the year ended 31 March, 2022 and 31 March, 2021 respectively . There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Consolidated Statement of Profit and loss.

(b) **Paycheck Protection Program Loans**

During the year ended March 31, 2021, the Subsidiary Companies, Organic India USA LLC and Clean Program Corp. received two Paycheck Protection Program (PPP) loans amounting to USD 371,600 at an interest of 1% per annum and USD 215,120 at an interest of 0.98% per annum respectively. The PPP Loan program was created under the Coronavirus, Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan along the interest outstanding may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and staffing level and salary maintenance requirements are met. Prior to March 31, 2021, the subsidiary companies applied for and received notification of forgiveness of the said loans amounting to USD 586,720 along with interest of USD 1,763(equivalent to INR 43.43 million) from the SBA and the said amount of PPP Loans has been recorded as cancellation of debt income in other operating revenue as government grants.

40 SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The operating segments have been identified as different business carried namely Organic Herbal Products and Research & Development activities and the environment in which the Group operates within India and outside India.

a) Information about Geographical Segments:

As at 31 March, 2022 **(Amount in INR Million)**

Particulars	Organic Herbal Products		Total
	Business in India	Overseas Business	
Segment Revenue			
Sale of products:			
- External Sales	2,127.13	1,688.34	3,815.47
- Inter - Segment Sales	674.18	-	674.18
- Duty Drawback Received / Export Incentives / Paycheck Protection Program Forgiveness	36.34	-	36.34
Gross Turnover	**2,837.65**	**1,688.34**	**4,525.99**
Inter - Segment Transfers	(674.18)	-	(674.18)
Net Turnover	**2,163.47**	**1,688.34**	**3,851.81**
Gain arising on disposal of Right of Use Assets	3.78	-	3.78
Other Income	59.06	2.61	61.67
Net revenue from operations	**2,226.31**	**1,690.95**	**3,917.26**
Segment Result before interest & taxes	**109.87**	**(32.69)**	**77.18**
Interest on Term Loan	(9.06)	-	(9.06)
Interest on Overdraft	(52.13)	-	(52.13)
Interest on Security Deposit	(4.28)	-	(4.28)
Interest on Lease Liability	(15.66)	(1.23)	(16.89)
Others	(0.16)	(2.86)	(3.02)
Segment Result before taxes	**28.58**	**(36.78)**	**(8.20)**
Current Tax	(49.71)	(0.46)	(50.17)
Tax Paid for Earlier Years	9.37	-	9.37
Deferred Tax Income/(Expense)	47.48	18.69	66.17
Profit After Taxes	**35.72**	**(18.55)**	**17.17**
Segment Assets	3,597.99	905.11	4,503.10
Segment Liabilities	1,593.25	398.80	1,992.05
Depreciation/Amortization during the year	166.50	39.44	205.94
Impairment during the year (refer note 50)	-	47.96	47.96
Capital Expenditures including during the year	93.74	62.47	156.21

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

As at 31 March, 2021 **(Amount in INR Million)**

Particulars	Organic Herbal Products		Total
	Business in India	Overseas Business	
Segment Revenue			
Sale of products:			
- External Sales	1,987.95	1,880.97	3,868.92
- Inter - Segment Sales	604.35	-	604.35
- Duty Drawback Received / Export Incentives / Paycheck Protection Program Forgiveness	35.38	43.43	78.81
Gross Turnover	**2,627.68**	**1,924.40**	**4,552.08**
Inter - Segment Transfers	(604.35)	-	(604.35)
Net Turnover	**2,023.33**	**1,924.40**	**3,947.73**
Gain arising on disposal of Right of Use Assets	0.21	1.88	2.09
Other Income	76.66	32.03	108.69
Net revenue from operations	**2,100.20**	**1,958.31**	**4,058.51**
Segment Result before interest & taxes	128.06	54.93	182.99
Interest on Term Loan	(16.49)	(8.85)	(25.34)
Interest on Overdraft	(47.61)	-	(47.61)
Interest on Security Deposit	(3.86)	-	(3.86)
Interest on Lease Liability	(14.48)	(1.89)	(16.37)
Others	(0.30)	(1.53)	(1.83)
Segment Result before taxes	**45.32**	**42.66**	**87.98**
Current Tax	(21.60)	(18.08)	(39.68)
Tax Paid for Earlier Years	(1.47)	-	(1.47)
Deferred Tax Income/(Expense)	(4.81)	4.08	(0.73)
Profit After Taxes	**17.44**	**28.66**	**46.10**
Segment Assets	3,657.90	869.82	4,527.72
Segment Liabilities	1,667.03	397.50	2,064.53
Depreciation/Amortization during the year	165.71	53.81	219.52
Capital Expenditures including during the year	92.17	40.16	132.33

b) Entity wise disclosures are as under:

	31st March, 2022 (Amount in INR Million)	31st March, 2021 (Amount in INR Million)
Sale of Products		
- Within India	3,453.29	3,597.34
- Outside India	362.18	271.58
	3,815.47	3,868.92
Details of Non Current Asset		
- Within India	1,623.17	1,865.25
- Outside India	346.28	361.57
	1,969.45	2,226.82

c) Information about major customers

The Group did revenue from the following customer(s) which exceeded 10% of total revenue :-

Name of Customer	Share of Total Revenue (in percentage)	
	31st March, 2022	**31st March, 2021**
United Natural Foods Inc	-	11.47

41 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

Financial instruments by category as at 31st March, 2022

Amount in INR Million

	31st March, 2022				
	FVTPL	**FVOCI**	**Amortised Cost**	**Total Carrying Value**	**Total Fair Value**
Financial assets					
Investments(Non current)	187.21	-	-	187.21	187.21
Investments(current)	-	-	-	-	-
Loans(Non Current)	-	-	29.12	29.12	29.12
Other Financial Assets(Non Current)	1.67	-	21.69	23.36	23.36
Trade receivables	-	-	789.97	789.97	789.97
Cash and Cash equivalents	-	-	86.88	86.88	86.88
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	3.48	3.48	3.48
Loans(Current)	-	-	24.41	24.41	24.41
Other Financial Assets (Current)	9.20	-	17.57	26.77	26.77
TOTAL	**198.07**	**-**	**973.12**	**1,171.18**	**1,171.18**
Financial liabilities					
Borrowings(Non Current)	-	-	128.61	128.61	128.61
Lease liabilities - Non Current	-	-	181.87	181.87	181.87
Other Financial Liabilities(Non Current)	1.98	-	37.64	39.62	39.62
Borrowings(Current)	-	-	822.96	822.96	822.96
Lease liabilities - Current	-	-	38.54	38.54	38.54
Trade payables	-	-	585.74	585.74	585.74
Other Financial Liabilities (Current)	6.76	-	109.09	115.85	115.85
TOTAL	**8.74**	**-**	**1,904.46**	**1,913.19**	**1,913.19**

Financial instruments by category as on 31st March, 2021

Amount in INR Million

	31st March, 2021				
	FVTPL	**FVOCI**	**Amortised Cost**	**Total Carrying Value**	**Total Fair Value**
Financial assets					
Investments(Non current)	227.57	-	-	227.57	227.57
Investments(current)	-	-	-	-	-
Loans(Non Current)	-	-	33.76	33.76	33.76
Other Financial Assets(Non Current)	2.22	-	20.74	22.96	22.96
Trade receivables	-	-	622.75	622.75	622.75
Cash and Cash equivalents	-	-	179.83	179.83	179.83
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	23.05	23.06	23.06
Loans(Current)	-	-	21.82	21.82	21.82
Other Financial Assets (Current)	6.34	-	7.00	13.34	13.34
TOTAL	**236.13**	**-**	**908.95**	**1,145.08**	**1,145.08**
Financial liabilities					
Borrowings(Non Current)	-	-	238.45	238.45	238.45
Lease liabilities - Non Current	-	-	164.05	164.05	164.05
Other Financial Liabilities(Non Current)	8.42	-	36.58	45.00	45.00
Borrowings(Current)	-	-	950.66	950.66	950.66
Lease liabilities - Current	-	-	48.07	48.07	48.07
Trade payables	-	-	367.34	367.34	367.34
Other Financial Liabilities (Current)	11.92	-	111.88	123.84	123.84
TOTAL	**20.35**	**-**	**1,917.03**	**1,937.39**	**1,937.39**

Trade receivables comprise amounts receivable from the sale of goods and services. The Management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Holding Company. The carrying amount of these assets approximates their fair value.

Loans (Non Current) comprise of loan given to employees which have been discounted and the same approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.

Borrowings comprises of loan from bank and the fair value is considered to be same as the carrying value being at market rates.

Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.

Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value As at 31 March, 2022

Amount in INR Million

	Measured at Fair Value through Profit and Loss			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments	-	-	187.21	187.21
Other Financial Asssets	-	10.87	-	10.87
	-	**10.87**	**187.21**	**198.07**

Amount in INR Million

	Measured at Fair Value through Profit and Loss			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Liabilities:				
Other Financial Liabilities	-	8.74	-	8.74
	-	**8.74**	**-**	**8.74**

Financial assets and liabilities measured at fair value As at 31 March, 2021

Amount in INR Million

	Measured at Fair Value through Profit and Loss			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments	-	-	227.57	227.57
Other Financial Asssets	-	8.56	-	8.56
	-	**8.56**	**227.57**	**236.13**

Amount in INR Million

	Measured at Fair Value through Profit and Loss			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Liabilities:				
Other Financial Liabilities	-	20.35	-	20.35
	-	**20.35**	**-**	**20.35**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March, 2022

Amount in INR Million

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Loans	-	-	53.54	53.54
Trade receivables	-	-	789.97	789.97
Cash and Cash equivalents	-	-	86.88	86.88
Bank balances other than above	-	-	3.48	3.48
Other Financial Assets	-	-	39.25	39.25
	-	**-**	**973.11**	**973.11**

Amount in INR Million

	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities:				
Borrowings	-	-	951.58	951.58
Lease Liabilities	-	-	220.40	220.40
Trade payables	-	-	585.74	585.74
Other Financial Liabilities	-	-	146.73	147.23
	-	**-**	**1,904.46**	**1,904.46**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March, 2021

Amount in INR Million

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	55.58	55.58
Trade receivables	-	-	622.75	622.75
Cash and Cash equivalents	-	-	179.83	179.83
Bank balances other than above	-	-	23.05	23.05
Other Financial Assets	-	-	27.74	27.74
	-	**-**	**908.95**	**908.95**

Amount in INR Million

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	1,189.11	1,189.11
Lease Liabilities	-	-	212.12	212.12
Trade payables	-	-	367.34	367.34
Other Financial Liabilities	-	-	148.46	148.46
	-	**-**	**1,917.03**	**1,917.03**

(ii) Measurement of fair values

The different levels of fair value have been defined below:
Level 1: This hierarchy includes financial instruments measured using quoted prices/net assets value in case of mutual funds.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There have been no transfers in either direction for the year ended 31 March, 2022 and 31 March, 2021.

(iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis/net asset value method.

The fair valuation of swaps and options are based on valuations performed by an accredited external independent valuer. The valuer is a specialist in valuing these types of instruments. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The fair valuations of foreign currency option is determined based on the option pricing model (eg Black-Scholes model), and fair valuation of cross currency swap is determined based on the present value of the estimated future cash flows taking observable inputs for the valuations.

(iv) Significant unobservable Inputs:

The Independent valuer has made detailed study based on standards methodology for valuation and have not taken any significant unobservable inputs for valuation of options and swaps on reporting date.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Signicant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Optionally Convertible Debenture	Valuation of OCD is conducted based on the Probability-weighted Scenario Method, which assumes the following two Scenarios: 1. Redemption of NCD (Scenario - 1): (Weightage : 5%) The valuation in this scenario has been derived based on conversion of OCD into Non-Convertible Debentures ('NCD') and discounting of cash flows (DCF Method) to be arrived from redemption of NCD and cumulative interest as per the terms of the agreement and management expectation w.r.t redemption of NCD. The arrived cash flows from redemption is to be discounted at appropriate discount rate. 2. Conversion of OCD (Scenario - 2): (Weightage : 95%) The valuation in this scenario has been derived based on discounting Future Free Cash Flow to Firm (FCFF) and expected Terminal Value of Business after March 31, 2027 of the company based on the business projections. The arrived FCFE has been discounting at appropriate discount rate. Valuation of OCD is considered on 'going concern' basis in both of the scenario and the value arrived in each scenario is weighted according to expected probability/weight of a particular scenario as on valuation date to arrive fair value of OCD.	Key Inputs to Business Model: - Risk free rate : 7.04% - Equity risk premium : 9.02% - Size premium & Company specific risk premium : 6% - Cost of equity (Ke) / Discount Rate : 22.06%	(a). Risk free rates are referred from ZCYC spot rates (t = 40 Yrs.) at the valuation date. (b). Equity Risk Premium has been analysed based on the Historical BSE Sensex Return less R(f) estimated above. (c). Size premium has been kept at 200 basis points through analysing the company size and industry standards. Further, company specific risk premium is based on the risk profile of the company which has been analysed taking factors such as revenue growth, financial risk, operational risk, profitability, industry risk, economic risk and customer concentration into consideration. Appropriate weights are provided to each of the factors based on the valuer judgement and arrived at company specific risk premium to be 400 basis points. However, both size premium and company specific risk premium are subjective in assessment and are based on the individual valuer judgement analysing the risk associated with the asset under valuation.

42 Financial risk management

The Group has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. The risk management policies are established to identify and analyse the risk faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The Group's board oversees how management monitors compliance with Group's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risk faced by the Group.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortized cost.	Ageing analysis	Diversification of bank deposits, credit limits and credit worthiness
Liquidity Risk	All financial liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market Risk - Foreign Exchange	Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecast Sensitivity Analysis	Forward Contracts, Option Contracts/Derivatives and Cross Currency Swap

i. Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's maximum exposure to credit risk associated with the trade and other receivables.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Wherever the Group assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of trade receivables from the date, credit was initially granted upto the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly the management believes that there is no further credit provision required in excess of the allowance for doubtful debts. Management has assessed the advances and other receivables for impairment and has concluded that appropriate provision has been made for the doubtful advances and balance are fully recoverable in the normal course of business.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Amount in INR Million)

	31-Mar-22	31-Mar-21
Trade and other receivable	895.07	730.81
Less: Allowance for expected credit loss	(51.55)	(52.48)
	843.50	**678.33**

Movement in the allowance for impairment in respect of trade and other receivables

(Amount in INR Million)

	31-Mar-22	31-Mar-21
Opening Balance	52.48	53.73
Less: Allowance written back (net of creation) during the year	0.92	1.25
Closing Balance	**51.56**	**52.48**

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Group enters into the Derivative Contracts with the reputed Banks.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, availability of funding through an adequate amount of credit facilities to meet obigations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
Management monitors rolling forecasts of the Group's liquidity position i.e. cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities
The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March, 2022 **(Amount in INR Million)**

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	585.74	-	-	585.74
Long term borrowings	116.56	128.61	-	245.18
Short term borrowings	706.40	-	-	706.40
Security deposits received	56.03	37.65	-	93.68
Forwards Contracts/Options and Swap Payables	6.76	1.98	-	8.74
Payable for capital goods	3.38	-	-	3.38
Lease Liability	55.06	174.50	52.34	281.89
Interest accrued but not due	2.21	-	-	2.21
Other Accruals	47.47	0.00	-	47.47
	1,579.62	**342.74**	**52.34**	**1,974.67**

As at 31 March, 2021 **(Amount in INR Million)**

Contractual maturities of financial liabilities	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	367.35	-	-	367.35
Long term borrowings	204.39	238.45	-	442.84
Short term borrowings	746.27	-	-	746.27
Security deposits received	50.09	36.58	-	86.66
Forwards Contracts/Options and Swap Payables	11.92	8.42	-	20.35
Payable for capital goods	10.98	-	-	10.98
Lease Liability	64.76	112.23	51.82	228.81
Interest accrued but not due	3.49	-	-	3.49
Other Accruals	47.33	-	-	47.33
	1,506.57	**395.68**	**51.82**	**1,954.07**

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The Group's interest rate risks are covered by cross currency swaps. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

Impact of COVID-19

The Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information. Having reviewed the underlying data and based on current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions. The Group has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk and market risk and does not foresee any material impact on account of the same.

Currency risk

The Group operates internationally and transacts in foreign currencies and consequently the Group is exposed to foreign exchange risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee.The Group's exposure in respect of foreign currency are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Group enters in to derivative financial instruments i.e. forward foreign exchange contracts and forward option contracts for foreign currency risk mitigation.

Exposure to currency risk
The currency profile of financial assets and financial liabilities as at 31 March, 2022 and 31 March, 2021 is as below:

	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
	Amount in INR Million	**USD**	**EURO**	**AUD**	**NZD**	**GBP**	**SGD**	**HKD**	**AED**
Financial assets									
Trade Receivables	443.27	4,820,301	527,870	395,081	78,632	77,221	-	-	-
Advance to Supplier	8.75	93,855	4,352	22,595	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
	452.02	4,914,156	532,222	417,676	78,632	77,221	-	-	-
Financial liabilities									
Trade Payables	33.18	290,718	39,217	126,380	-	-	-	-	35,000
Advance from Customer	1.51	20,003	-	-	-	-	-	-	-
Short Term Borrowings	35.78	472,909	-	-	-	-	-	-	-
Long Term Borrowings	81.27	1,074,219	-	-	-	-	-	-	-
	151.74	1,857,849	39,217	126,380	-	-	-	-	35,000

	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
	Amount in INR Million	**USD**	**EURO**	**AUD**	**NZD**	**GBP**	**SGD**	**HKD**	**AED**
Financial assets									
Trade Receivables	118.29	727,808	509,175	316,989	69,098	671	-	-	-
Cash and Cash Equivalents	3.20	43,649	-	-	-	-	-	-	-
Others	0.09	-	999	-	-	-	-	-	-
	121.58	771,457	510,174	316,989	69,098	671	-	-	-
Financial liabilities									
Trade Payables	11.54	35,136	-	142,198	-	-	-	35,506	35,530
Short Term Borrowings	172.09	2,350,000	-	-	-	-	-	-	-
Long Term Borrowings	235.99	3,222,656	-	-	-	-	-	-	-
	419.62	5,607,792	-	142,198	-	-	-	35,506	35,530

The following significant exchange rates (in INR) have been applied during the year

	Year-end spot rate	Year-end spot rate
	31-Mar-22	**31-Mar-21**
USD	75.65	73.23
EURO	84.10	85.88
AUD	56.68	55.70
NZD	52.55	51.18
GBP	99.37	100.81
SGD	54.98	54.42
HKD	9.65	9.42
AED	20.60	19.93

Sensitivity analysis

A reasonably possible strengthening / weakening of the respective foreign currencies with respect to the functional currency of Company would result in increase or decrease in profit or loss and equity as shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

	Profit or loss		**Equity, net of tax**	
Effect in INR on 5% movement	Strengthening	Weakening	Strengthening	Weakening
3/31/2022				
USD	11.56	(11.56)	8.65	(8.65)
EURO	2.07	(2.07)	1.55	(1.55)
AUD	0.83	(0.83)	0.62	(0.62)
NZD	0.21	(0.21)	0.15	(0.15)
GBP	0.38	(0.38)	0.29	(0.29)
AED	(0.04)	0.04	(0.03)	0.03

	15.00	(15.00)	11.25	(11.25)

	Profit or loss		Equity, net of tax	
Effect in INR on 5% movement	Strengthening	Weakening	Strengthening	Weakening
3/31/2021				
USD	(17.71)	17.71	(13.25)	13.25
EURO	2.19	(2.19)	1.64	(1.64)
AUD	0.49	(0.49)	0.36	(0.36)
NZD	0.18	(0.18)	0.13	(0.13)
GBP	0.00	(0.00)	0.00	(0.00)
AED	(0.04)	0.04	(0.03)	0.03
	(14.89)	14.89	(11.15)	11.15

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate exposure

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Variable rate borrowings	822.96	1,064.62
Fixed rate borrowings	128.61	124.49
Total borrowings	**951.58**	**1,189.11**

Interest rate sensitivity analysis

Profit or loss and equity is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

Particulars	For the year	For the
Interest rates increase by 0.5%	4.11	5.32
Interest rates decrease by 0.5%	(4.11)	(5.32)
Total borrowings	**-**	**-**

Derivative financial instruments

The Group holds derivative financial instruments such as cross currency swaps, foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details of outstanding cross currency swaps and foreign currency forward and options contracts as on 31st March, 2022 and 31st March, 2021:

Type of Derivative	As at 31st March, 2022		As at 31st March, 2021	
	Amount in Foreign Currency	Amount in INR Million	Amount in Foreign Currency	Amount in INR Million
Cross Currency Swap				
- In USD	545,166	41.24	1,272,054	93.50
	545,166	**41.24**	**1,272,054**	**93.50**
Forward Contracts				
To Sell				
- In USD	12,700,000	998.75	7,460,000	572.79
- In Euros	-	-	150,000	13.44
	12,700,000	**998.75**	**7,610,000**	**586.23**
To Buy				
- In USD	2,092,597	160.00	337,000	25.02
	2,092,597	**160.00**	**337,000**	**25.02**
Forward Option Contracts				
To Buy				
- In USD	1,074,219	119.93	5,572,656	409.62
	1,074,219	**119.93**	**5,572,656**	**409.62**
To Sell				
- In USD	-	-	1,900,000	139.66
	-	**-**	**1,900,000**	**139.66**

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining year as at 31st March, 2022 and 31st March, 2021 :

31st March, 2022

Particulars	Cross Currency Swaps		Option Contracts to Buy		Option Contracts to Sell	
	In USD	In INR Million	In USD	In INR Million	In USD	In INR
Not later than one year	545,166	41.24	1,074,219	119.93	-	-
Later than one year but not later than two year	-	-	-	-	-	-
Later than two year but not later than three year	-					
Total	**545,166**	**41.24**	**1,074,219**	**119.93**	**-**	**-**

31st March, 2021

Particulars	Cross Currency Swaps		Option Contracts to Buy		Option Contracts to Sell	
	In USD	In INR Million	In USD	In INR Million	In USD	In INR
Not later than one year	726,888	53.43	4,498,438	330.66	1,900,000	139.66
Later than one year but not later than two year	545,166	40.07	1,074,219	78.96	-	-
Later than two year but not later than three year	-					
Total	**1,272,054**	**93.50**	**5,572,656**	**410**	**1,900,000**	**139.66**

The table below analyzes the relevant maturity groupings of the forward exchange contracts based on the remaining year as at 31st March, 2022 and as at 31st March, 2021:

31st March, 2022

Particulars	Contracts to Sell			Contracts to Buy		
	In USD	In Euro	In INR Million	In USD	In Euro	In INR
Not later than one year	7,300,000	-	568.41	2,092,597	-	160
Later than one year but not later than two year	5,400,000	-	430.34	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	**12,700,000**	**-**	**998.74**	**2,092,597**	**-**	**160.00**

31st March, 2021

Particulars	Contracts to Sell			Contracts to Buy		
	In USD	In Euro	In INR Million	In USD	In Euro	In INR
Not later than one year	3,860,000	150,000	306.64	337,000	-	25
Later than one year but not later than two year	3,600,000	-	279.60	-	-	-
three year	-	-	-	-	-	-
Total	**7,460,000**	**150,000**	**586.23**	**337,000**	**-**	**25.02**

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

Management of the Group has ensured that net worth of the Group has increased and profit from operations of the Group has been utilised further in the operations of the Group.

	(Amount in INR Million)	
	31-Mar-2022	31-Mar-2021
Total Assets	4,503.10	4,527.72
Total Liabilities	1,992.05	2,064.50
Net Worth	**2,511.05**	**2,463.21**

The Group determines the amount of capital required on the basis of actual business plans coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.
No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2022 and 31 March, 2021.

The Group monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Group:

(Amount in INR Million)

Capital	31-Mar-2022	31-Mar-2021
Long Term Borrowings	128.61	238.46
Short Term Borrowings	822.96	950.66
Total Debt	**951.58**	**1,189.11**
Equity Share Capital	827.02	827.02
Other Equity	1,504.87	1,423.71
Non Controlling Interest	179.16	212.46
Total Equity	**2,511.05**	**2,463.19**
Debt-Equity Ratio	**0.38**	**0.48**

*Lease liabilities recognised as per Ind AS 116 is not included in Total Debt

Dividends	(Amount in Rs.)	(Amount in Rs.)
	31-Mar-2022	31-Mar-2021
Dividends not recognized at the end of the reporting year	-	-

In addition to the above dividends, since year end the directors have not proposed any payment of a dividend for the year ended 31st March, 2022 and 31st March, 2021.

44 RELATED PARTY DISCLOSURES

A Names of Related parties where control exists

Ultimate Holding Company
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)

Fellow Subsidiary Company
- M/s Fabcafe Foods Private Limited

Associate Company
- M/s Nutriwel Health (India) Private Limited

Key Management Personnel

Mr. Yoav Lev	Non - Executive Director
Mr. Dinesh Kumar	Executive Director
Mr. Vikram Singh	Non - Executive Director
Mr. Mukesh Kumar Chauhan	Non - Executive Director
Mrs. Elizabeth Nanda	Non - Executive Director
Mr Subrata Dutta	Managing Director w.e.f. 04/01/2021(Director up to 03/01/2021)
Mr. Pankaj Pachauri	Non - Executive Director
Mr. Laurent Chappuis	Non - Executive Director
Mr. William Nanda Bissell	Non - Executive Director
Mrs. Holly B Lev	Non - Executive Director
Mr. Rahul Garg	Independent Non - Executive Director (w.e.f. 13th December 2021)
Mrs. Monsson Latane Bissell	Non - Executive Director (w.e.f. 13th December 2021)
Mr. Richard Celeste	Independent Non - Executive Director of Subsidiary Company and Holding Company(w.e.f 13th December 2021)
Mr. Richard Baskin	Independent Non-Executive Director of Subsidiary Company
Dr. Alejandro Junger	Executive Director of Subsidiary Company
Ms. Dipali Patwa	Independent Non - Executive Director of Subsidiary Company
Mr. Vikash	Chief Financial Officer (Designated as KMP w.e.f. 22nd October 2021)
Mr. Alok Kumar	Company Secretary (Designated as KMP w.e.f. 22nd October 2021)
Mr. Miguel Gil	Chief Executive Officer of Subsidiary Company

Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year
- M/s OI (India) Holding, LLC
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited
- M/s LEV True Wellness Private Limited
- M/s Organic India Farmers Producer Company Limited
- M/s OI (US) Holdings, LLC
- M/s Organic India Foundation

B Summary of related party transactions

(Amount in INR Million)

Particulars	Ultimate Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		Total	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Sale of Goods	142.36	112.32	-	0.02	11.50	27.89	0.09	0.56	-	-	153.95	140.78
Purchase of Raw Material	-	-	-	-	-	-	89.81	20.85	-	-	89.81	20.85
Interest Income	-	-	-	-	10.72	10.72	-	-	0.23	-	10.95	10.72
Royalty income	-	-	-	-	0.02	0.06	-	-	-	-	0.02	0.06
Reimbursement of processing Fee Herbs	-	-	-	-	-	-	0.10	0.18	-	-	0.10	0.18
Directors Remuneration	-	-	-	-	-	-	-	-	78.26	53.69	78.26	53.69
Director Commission	-	-	-	-	-	-	-	-	28.40	39.10	28.40	39.10
Interest on ESPS Loan	-	-	-	-	-	-	-	-	2.50	-	2.50	-
Legal and Professional Expenses	-	-	-	-	0.45	0.53	-	-	7.83	5.79	8.28	6.31
Issue and Allotment of Equity Shares	-	-	-	-	-	-	-	-	0.03	-	0.03	-
Security Deposit Paid	1.69	2.04	-	-	-	-	-	-	-	-	1.69	2.04
Margin difference Claim	2.84	3.63	-	-	-	-	-	-	-	-	2.84	3.63
Rent	27.31	18.55	-	-	-	-	-	-	-	-	27.31	18.55
Royalty	10.23	10.15	-	-	-	-	-	-	0.13	0.40	10.36	10.55
Staff Welfare	-	-	-	0.08	-	-	-	-	-	-	-	0.08
Reimbursement of Expenses	4.53	2.99	-	-	-	-	0.86	-	0.58	-	5.96	2.99
Freight Expenses	-	-	-	-	0.67	1.24	-	-	-	-	0.67	1.24
Travelling Expenses	-	-	-	-	-	-	-	-	1.15	-	1.15	-
Business Support Expenditure	85.38	60.71	-	-	-	-	-	-	-	-	85.38	60.71
Purchase of Fixed Asset	0.12	0.49	-	-	-	-	-	-	-	-	0.12	0.49
Miscellaneous Receipts	0.83	0.87	-	-	-	-	-	-	-	-	0.83	0.87
Corporate Social Responsibility Expenses	-	-	-	-	-	-	3.20	5.86	-	-	3.20	5.86
Loan given during the year	-	-	-	-	-	-	-	-	-	26.93	-	26.93
Loan repayment received during the year	-	-	-	-	-	-	-	18.51	0.30	-	0.30	18.51
Interest on Loan	-	-	-	-	-	-	5.14	5.87	-	-	5.14	5.87

Amou INR Million)

Particulars	Ultimate Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		Total	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Balances Outstanding												
Receivables	41.67	34.05	-	-	151.32	147.45	13.75	2.19	31.48	30.61	238.21	214.31
Payables	149.39	62.28	-	0.08	0.24	0.15	129.90	129.08	0.28	39.81	279.81	231.39

Terms and conditions:
1. All transactions with these related parties are priced on an arm's length basis.
2. None of the balances outstanding are secured.
3. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Compensation of Key Management Personnel

The remuneration of director and other member of Key Management Personnel during the year was as follows:

(Amount in INR Million)

Particulars	31st March, 2022	31st March, 2021
Short-Term Benefits	115.65	98.57
Post-Employment Benefits	-	-
Other Long-Term Benefits	-	-
Share-Based Payments	0.03	-
Termination Benefits	-	-
Dividend Paid	-	-
Total	**115.68**	**98.57**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting year related to key management personnel.

C Transactions with the related parties which have been entered into during the year are as follows:

(Amount in INR Million)

Particulars	Ultimate Holding Company		Fellow Subsidiary		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Sale of Goods												
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	142.36	###### ##	-	-	-	-	-	-	-	-	142.36	112.32
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	11.50	27.89	-	-	-	-	11.50	27.89
- M/s Ganga Yamuna Agro Technologies and Plantat	-	-	-	-	-	-	0.05	0.51	-	-	0.05	0.51
- M/s LEV True Wellness Private Limited	-	-	-	-	-	-	0.04	0.01	-	-	0.04	0.01
- M/s Organic India Foundation	-	-	-	-	-	-	-	0.02	-	-	-	0.02
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	-	-	-	0.01	-	-	-	0.01
- M/s Fabcafe Foods Private Limited	-	-	-	0.02	-	-	-	-	-	-	-	0.02
Purchase of Raw Material												
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	-	-	2.99	4.26	-	-	2.99	4.26
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	-	-	5.85	6.67	-	-	5.85	6.67
- M/s LEV True Wellness Private Limited	-	-	-	-	-	-	80.98	9.92	-	-	80.98	9.92
Interest Income												
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	10.72	10.72	-	-	-	-	10.72	10.72
- Dr. Alejandro Junger	-	-	-	-	-	-	-	-	0.23	-	0.23	-
Royalty Income												
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	0.02	0.06	-	-	-	-	0.02	0.06
Reimbursement of processing Fee Herbs												
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	-	-	0.10	0.18	-	-	0.10	0.18
Directors Remuneration												
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	-	2.12	1.86	2.12	1.86
- Mr. Alok Kumar	-	-	-	-	-	-	-	-	1.12	-	1.12	-
- Mr. Vikash	-	-	-	-	-	-	-	-	2.97	-	2.97	-
- Mr. Subrata Dutta	-	-	-	-	-	-	-	-	25.97	6.11	25.97	6.11
- Mr. Mukesh Chauhan	-	-	-	-	-	-	-	-	-	0.03	-	0.03
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	-	-	-	0.01	-	0.01
- Dr. Alejandro Junger	-	-	-	-	-	-	-	-	18.67	19.22	18.67	19.22
- Mr. Miguel Gil	-	-	-	-	-	-	-	-	27.41	26.46	27.41	26.46
Directors Remuneration												
- Mr. Yoav Lev	-	-	-	-	-	-	-	-	8.00	7.27	8.00	7.27
- Mrs. Holly B Lev	-	-	-	-	-	-	-	-	8.00	7.27	8.00	7.27
- Mr. Mukesh Kumar Chauhan	-	-	-	-	-	-	-	-	-	6.18	-	6.18
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	-	-	2.80	2.55	2.80	2.55
- Mr.William Nanda Bissell	-	-	-	-	-	-	-	-	-	10.91	-	10.91
- Mr. Laurent Chappuis	-	-	-	-	-	-	-	-	1.40	1.27	1.40	1.27
- Mr. Laurent Chappuis	-	-	-	-	-	-	-	-	8.20	3.64	8.20	3.64
Interest on ESPS Loan												
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	-	0.02	-	0.02	-
- Mr. Subrata Dutta	-	-	-	-	-	-	-	-	2.38	-	2.38	-
- Mr. Alok Kumar	-	-	-	-	-	-	-	-	0.02	-	0.02	-
- Mr. Vikash	-	-	-	-	-	-	-	-	0.08	-	0.08	-
Legal and Professional Expenses												
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	0.45	0.53	-	-	-	-	0.45	0.53
- Mr. Vikram Singh	-	-	-	-	-	-	-	-	1.45	1.20	1.45	1.20
- Mr. Pankaj Pachauri	-	-	-	-	-	-	-	-	1.20	1.20	1.20	1.20
Ms. Dipali Patwa	-	-	-	-	-	-	-	-	2.42	1.02	2.42	1.02
Mr. Richard Celeste	-	-	-	-	-	-	-	-	2.76	2.37	2.76	2.37
Issue and Allotment of Equity Shares												
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	-	0.03	-	0.03	-
Security Deposit Paid												
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	1.69	2.04	-	-	-	-	-	-	-	-	1.69	2.04
Margin Differene Claim												
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	2.84	3.63	-	-	-	-	-	-	-	-	2.84	3.63
Rent												
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	27.31	18.55	-	-	-	-	-	-	-	-	27.31	18.55
Royalty												
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	10.23	10.15	-	-	-	-	-	-	-	-	10.23	10.15
- M/s Clean Program Corp	-	-	-	-	-	-	-	-	-	-	-	-
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Dr. Alejandro Junger	-	-	-	-	-	-	-	-	0.13	0.40	0.13	0.40

C Transactions with the related parties which have been entered into during the year are as follows:

(Amount in INR Million)

Particulars	Ultimate Holding Company		Fellow Subsidiary		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Staff Welfare Expenses												
- M/s Fabcafe Foods Private Limited	-	-	-	0.08	-	-	-	-	-	-	-	0.08
Reimbursement of Expenses												
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	4.53	2.99			-	-	-	-	-	-	4.53	2.99
- M/s LEV True Wellness Private Limited	-	-			-	-	0.86	-	-	-	0.86	-
- Mr. Alok Kumar	-	-			-	-	-	-	0.57	-	0.57	-
- Mr. Vikash	-	-			-	-	-	-	0.01	-	0.01	-
Freight Outward												
- M/s Nutriwel Health (India) Private Limited	-	-			0.67	1.24	-	-	-	-	0.67	1.24
Travelling Expenses												
- Mr. Subrata Dutta	-	-			-	-	-	-	1.15	-	1.15	-
Business Support Expenditure												
- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	85.38	60.71			-	-	-	-	-	-	85.38	60.71
Purchase of Fixed Asset												
- M/s Fabindia Overseas Private Limited	0.12	0.49			-	-	-	-	-	-	0.12	0.49
Miscellaneous Receipts												
- M/s Fabindia Overseas Private Limited	0.83	0.87			-	-	-	-	-	-	0.83	0.87
Corporate Social Responsibility Expenses												
- M/s Organic India Foundation	-	-			-	-	3.20	5.86	-	-	3.20	5.86
Loan given during the year												
- Mr. Dinesh Kumar	-	-			-	-	-	-	-	0.51	-	0.51
- Mr. Subrata Dutta	-	-			-	-	-	-	-	26.42	-	26.42
- Mr. Alok Kumar	-	-			-	-	-	-	-	-	-	-
- Mr. Vikash	-	-			-	-	-	-	-	-	-	-
Loan repayment received during the year												
- M/s Organic India USA LLC	-	-			-	-	-	-	-	-	-	-
- Mr. Alok Kumar	-	-			-	-	-	-	-	-	-	-
- Mr. Vikash	-	-			-	-	-	-	0.30	-	0.30	-
Loan repayment made during the year												
- M/s OI (US) Holdings, LLC	-	-			-	-	-	18.51	-	-	-	18.51
Interest On Loan												
- M/s OI (US) Holdings, LLC	-	-			-	-	5.14	5.87	-	-	5.14	5.87

C Transactions with the related parties which have been entered into during the year are as follows:

(Amount in INR Million)

Particulars	Ultimate Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		TOTAL	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Receivables												
- M/s Fabindia Limited ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	41.67	34.05	-	-	-	-	-	-	-	-	41.67	34.05
- M/s Nutriwel Health (India) Private Limited - Debenture	-	-	-	-	119.09	119.09	-	-	-	-	119.09	119.09
- M/s Nutriwel Health (India) Private Limited - Trade Receivables	-	-	-	-	1.87	7.66	-	-	-	-	1.87	7.66
- M/s Nutriwel Health (India) Private Limited - Others	-	-	-	-	30.36	20.71	-	-	-	-	30.36	20.71
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	-	-	1.67	2.14	-	-	1.67	2.14
- M/s LEV True Wellness Private Limited	-	-	-	-	-	-	11.97	0.01	-	-	11.97	0.01
- M/s Organic India Farmers Producer Co.Limited	-	-	-	-	-	-	0.11	0.01	-	-	0.11	0.01
- M/s Organic India Foundation	-	-	-	-	-	-	-	0.03	-	-	-	0.03
- Mr. Subrata Dutta (Loan)	-	-	-	-	-	-	-	-	28.80	26.42	28.80	26.42
-Mr. 'Dinesh kumar (Loan)	-	-	-	-	-	-	-	-	0.26	0.24	0.26	0.24
- Mr. Vikash (Loan)	-	-	-	-	-	-	-	-	2.06	-	2.06	-
-Mr. 'Alok Kumar (Loan)	-	-	-	-	-	-	-	-	0.37	-	0.37	-
-Dr. Alejandro Junger (Loan)	-	-	-	-	-	-	-	-	-	3.95	-	3.95
Payables												
- M/s Fabindia Limited ('- M/s Fabindia Limited (Formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited)	149.39	62.28	-	-	-	-	-	-	-	-	149.39	62.28
- M/s Fabcafe Foods Private Limited	-	-	-	0.08	-	-	-	-	-	-	-	0.08
- M/s LEV True Wellness Private Limited	-	-	-	-	-	-	-	3.16	-	-	-	3.16
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	0.24	0.15	-	-	-	-	0.24	0.15
- Mr. Yoav Lev	-	-	-	-	-	-	-	-	-	7.27	-	7.27
- Mrs. Holly B Lev	-	-	-	-	-	-	-	-	-	7.27	-	7.27
- Mr. Mukesh Kumar Chauhan	-	-	-	-	-	-	-	-	-	6.18	-	6.18
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	-	-	-	2.55	-	2.55
- Mr. William Nanda Bissell	-	-	-	-	-	-	-	-	-	10.91	-	10.91
- Mr. Subrata Dutta	-	-	-	-	-	-	-	-	0.02	3.73	0.02	3.73
- Mr. Laurent Chappuis	-	-	-	-	-	-	-	-	-	1.27	-	1.27
- Mr. Pankaj Pachauri	-	-	-	-	-	-	-	-	-	0.28	-	0.28
- Mr. Vikram Singh	-	-	-	-	-	-	-	-	0.17	0.28	0.17	0.28
- M/s OI (US) Holdings, LLC	-	-	-	-	-	-	129.90	125.92	-	-	129.90	125.92
-Dr. Alejandro Junger	-	-	-	-	-	-	-	-	0.08	0.06	0.08	0.06

45 EMPLOYEE BENEFITS

The Group has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

-Provident fund/ Pension Scheme

The following amounts has been recognised as an expense in respect of the Holding Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under personnel expenses in the Consolidated Statement of Profit and Loss.

Pariculars	Amount in INR Miilion
As at 31 March, 2022	10.36
As at 31 March, 2021	9.43

The Subsidiary Company, Organic India USA LLC sponsors a 401(k) profit-sharing plan available to defined eligible employees in which eligible participants are allowed to make contributions up to statutory limits. The Subsidiary Company makes a matching contributions equal to the participant's contribution up to 5 percent of the participant's compensation. Such amounts vest immediately. The SubsidiaryCompany has made matching contributions of INR 5.08 Million and INR 3.91 Million for the year ended March 31, 2022 and March 31, 2021 respectively.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(b) Defined benefit plans

-Contribution to Gratuity fund

The Holding Company has defined benefit gratuity plan(funded) wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Holding Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022 and March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

-Compensated absences - Earned leave

Employees are eligible to encash unutilized earned leaves in excess of 60 days at the end of each calendar year. Encashment will be made on the basic salary.

Actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate has been used in consultation with the Group.

Salary Growth Rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. The assumptions used are summarized in the following table:

	Gratuity (Funded)		Compensated Absences Earned Leave (Non Funded)	
	As At 31 March, 2022	As At 31 March, 2021	As At 31 March, 2022	As At 31 March, 2021
Discount rate(per annum)	6.95%	6.60%	6.95%	6.60%
Future salary increase(per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	6.95%	6.50%	0.00%	0.065%
In service mortality	IALM (2012-14)	IALM (2012-14)	IALM (2012-14) 0.00%	IALM (2012-14) 0.00%
Retirement Age	60 years	60 years	60 years	60 years
Withdrawal rates : Ages/ withdrawal rate	10.00%	10.00%	10.00%	10.00%

(Amount in INR Million)

	Gratuity (Funded)		Compensated Absences (Non Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**
1. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at the beginning of the year	39.52	35.17	16.17	15.32
Interest Cost	2.42	2.16	0.94	0.87
Current Service Cost	5.25	5.19	3.48	3.69
Past Service Cost	-	-	-	-
Benefits Paid	(3.35)	(0.91)	(3.93)	(3.91)
Actuarial (gain)/loss on obligation	(0.96)	(2.09)	1.68	0.20
Defined Benefit Obligation at the end of the year	**42.88**	**39.52**	**18.34**	**16.17**
2. Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	29.56	23.81	-	-
Expected return on Plan Assets	2.13	1.55	-	-
Employer Contribution	5.53	5.26	-	-
Benefits Paid	(3.35)	(0.91)	-	-
Actuarial gain/(loss) on plan assets	(0.75)	(0.15)	-	-
Fair value of plan assets at the end of year	**33.12**	**29.56**	**-**	**-**
3. Reconciliation of fair value of Assets and Obligations				
Fair value of Plan Assets	33.12	29.56	-	-
Present value of Obligation	42.88	39.52	18.34	16.17
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(9.76)**	**(9.96)**	**(18.34)**	**(16.17)**
Less : Liability disposed on sale / classified as held for sale for discontinued operations	-	(0.24)	-	-
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(9.76)**	**(9.72)**	**(18.34)**	**(16.17)**
4. Expenses recognized in Statement of Profit and Loss				
Current service cost	5.25	5.19	3.47	3.70
Net Interest Cost	0.29	0.61	0.94	0.87
Past Service Cost	-	-	-	-
Net actuarial (gain)/loss recognized in the year	-	-	1.68	0.20
Net Cost	**5.54**	**5.80**	**6.09**	**4.77**
5. Expenses recognized in Other Comprehensive Income				
Actuarial (gain)/loss for the year on Obligation	(0.96)	(2.09)	-	-
Actuarial (gain)/loss for the year on Plan Assets	0.76	0.15	-	-
Net (Income)/Expense in OCI	**(0.20)**	**(1.94)**	**-**	**-**

6. Major categories of Plan Assets (as percentage of total Plan Assets):

	Gratuity (Funded)		Compensated Absences Earned Leave (Non Funded)	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%	0.00%	0.00%
Equity Shares of Listed Companies	0.00%	0.00%	0.00%	0.00%
Real Estate/ Property	0.00%	0.00%	0.00%	0.00%
Cash (including special deposit)	0.00%	0.00%	0.00%	0.00%
Others (including assets under schemes of Insurance)	100.00%	100.00%	0.00%	0.00%
Total	**100.00%**	**100.00%**	**0.00%**	**0.00%**

7. Sensitivity Analysis of the Defined Benefit Obligation:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting year , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in INR Million)

	31st March, 2022 Increase by 0.50%	31st March, 2022 Decrease by 0.50%	31st March, 2021 Increase by 0.50%	31st March, 2021 Decrease by 0.50%
Impact of the change in Discount Rate (0.50% movement)	(41.27)	44.13	(37.98)	40.67
Impact of the change in Salary Increase Rate (0.50% movement)	43.92	(41.43)	40.47	(38.10)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

8. Expected contribution for the next Annual reporting period:

Particulars	March 31, 2022		March 31, 2021	
	Compensated absences earned leaves	Gratuity	Compensated absences earned leaves	Gratuity
a) Service Cost	4.15	5.54	3.47	5.27
b) Net Interest Cost	1.27	0.45	0.94	0.47
c) Expected Expense for the next annual reporting period	5.43	5.99	4.41	5.74

9. Maturity Profile of Defined Benefit Obligation:

Year	March 31, 2022		March 31, 2021	
	Compensated absences earned leaves	Gratuity	Compensated absences earned leaves	Gratuity
0 to 1 Year	2.82	6.54	1.97	5.29
1 to 2 Year	2.23	3.75	1.80	4.90
2 to 3 Year	1.56	3.88	1.48	3.22
3 to 4 Year	1.52	3.75	1.35	3.37
4 to 5 Year	1.59	4.23	1.31	3.23
5 to 6 Year	1.69	4.29	1.41	3.80
6 Year onwards	22.16	49.17	20.64	44.59

10. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Group is exposed to various risks as follow -

A). Salary Increases - Actual salary increases will increase the Plan’s liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B). Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C). Discount Rate - Reduction in discount rate in subsequent valuations can increase the Plan’s liability.

D). Mortality & Disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E). Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan’s liability.

46 Organic India USA, LLC 2020 Employee Equity Bonus Plan

During the year ended 31st March, 2021, the members of the Organic India USA LLC, Subsidiary Company has approved the Organic India USA, LLC 2020 Employee Equity Bonus Plan (the Plan). The Plan permits the granting of awards to employees of the Subsidiary Company as designated by the Board of Directors who are either in a management position or higher, or who have been employed by the Subsidiary Company for at least 12 consecutive months. As defined in the Plan document, an award shall mean the granting of shares, or non-voting units of the Holding Company, as further defined in the Company's Operating Agreement. The shares shall generally vest in five tranches every 18 months, commencing on the vesting commencement date, subject to the fulfillment of certain applicable performance milestone requirements,as further set forth in the award agreements and Plan document.

Information in respect of the Employee Stock Options granted upto 31st March, 2022 under the Plan:

Scheme	Year	Date of Grant	Tranches	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (Rs.) per share	Fair Value of option on Grant Date
2020 Employee Equity Bonus Plan	2020-21	11/26/2020	I	542.00	9/30/2021	30 days from the date of Vesting	272.33	278.07
			II	681.00	3/30/2023	30 days from the date of Vesting	272.33	277.28
			III	953.00	9/30/2024	30 days from the date of Vesting	272.33	279.42
			IV	1,224.00	3/30/2026	30 days from the date of Vesting	272.33	282.53
			V	1,496.00	9/30/2027	30 days from the date of Vesting	272.33	288.96

Information in respect of the Employee Stock Options granted upto 31st March, 2021 under the Plan:

Scheme	Year	Date of Grant	Tranches	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (USD) per share	Fair Value of option on Grant Date
2020 Employee Equity Bonus Plan	2020-21	11/26/2020	I	575.00	9/30/2021	30 days from the date of Vesting	272.33	278.07
			II	723.00	3/30/2023	30 days from the date of Vesting	272.33	277.28
			III	1,012.00	9/30/2024	30 days from the date of Vesting	272.33	279.42
			IV	1,299.00	3/30/2026	30 days from the date of Vesting	272.33	282.53
			V	1,588.00	9/30/2027	30 days from the date of Vesting	272.33	288.96

a) Movement in Employee Stock Options during the year :

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of Options	Weighted average exercise price(in USD)	Number of Options	Weighted average exercise price(in USD)
Outstanding at the beginning of the year	5,197.00	272.33	-	-
Granted during the year	-	-	5,197.00	272.33
Forfeited during the year	301.00	-	-	-
Exercised during the year	-	-	-	-
Expired/ Lapsed during the year	-	-	-	-
Outstanding at the end of the year	4,896.00	272.33	5,197.00	272.33
Exercisable at the end of the year	542.00	272.33	-	-

b) Fair Value on the Grant Date:

The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share and the risk free interest rate for the term of the option.

The significant assumptions used to ascertain fair value of each Option in accordance with Black Scholes model:

	Tranche				
Particulars	I	II	III	IV	V
Risk-free Interest Rate	0.11%	0.17%	0.30%	0.39%	0.65%
Expected Life of Option (in years)	0.85	2.34	3.85	5.34	6.84
Volatility of Underlying Stock	12.50%	12.50%	12.50%	12.50%	12.50%

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the US Treasury Market rates derived from the website of US Department of Treasury.

c) The effect of share-based payment plan on the Financial Statements:

(Amount in INR Million)

	March 31, 2022	March 31, 2021
Expense arising from employee share-based payment plan	21.44	26.53
Liability arising from employee share-based payment plan	46.13	26.24

47 EMPLOYEE SHARE PURCHASE SCHEME

The members of the Holding Company approved Organic India Private Limited Employee Share Purchase Scheme 2021 (Scheme) in their meeting held on December 10, 2020. The Scheme provides for issue of equity shares of the Holding Company to the eligible employees, including Directors of the Holding Company and the employees and directors of its Subsidiary Companies and Holding Company, as determined by the Remuneration & Compensation Committee of the Board of Directors from time to time, in accordance with Applicable Laws, subject to terms and conditions as specified in the ESPS Agreement and the Scheme.

The implementation of the scheme is done through Organic India Employees Welfare Trust" (Trust), a registered trust. As per the Scheme, the select employees shall be allowed to purchase the Holding Company's equity shares on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. The equity shares shall be eligible for purchase based on the eligibility criteria of respective eligible employee where certain percentage of equity shares shall be unlocked as determined by the Remuneration and Compensation Committee of the Holding Company. The equity shares so purchased shall be under the lock-in period as per the scheme and would be released to the eligible employee upon meeting the performance and other conditions as set forth. During the lock-in period, the employee will remain to be the beneficial owner of the equity shares and the legal ownership will be transferred to the Trust till the completion of the condition subsequent set out in the ESPS Agreement.

The Scheme provides for allotment of a maximum of 4% of the paid up equity share capital of the Holding Company on fully diluted basis i.e. a maximum of 33,41,304 Equity Shares can be allotted in one or multiple tranches.

Movement in Employee Stock Options during the period:

During the financial year ending 31st March, 2022, the Holding Company had allotted nil (Previous Year: 25,11,197) Equity shares having face value of Rs. 10/- each at a price of Rs. 38/- each including a premium of Rs. 28/- aggregating to nil (Previous Year: Rs. 95.43 million) fully paid up to the Trust and then Trust transferred these to the eligible employees in terms of the Scheme. Out of these shares, 89,550 {Previous year 41,550} equity shares were not transferred to the employees and held by / reverted back to the trust as on 31st March, 2022.

The shares allotted pursuant to the ESPS were to vest upon completion of certain performance conditions. During the financial year ended on 31st March, 2022, the Holding Company has not vested any shares to any of the covered employees under ESPS, due to unachieved performance conditions. In order to benefit the Employees of the Holding Company, it is proposed and extend the ESPS scheme for another 2(two) years starting from April 1,2022 and ending on March 31,2027 and also to allow for equated vesting of equity shares over the period of 5(five) years i.e. 20% in each year. The Nomination & Remuneration Committee (NRC) has proposed the said amendment in their meeting held on 20th June 2022 to the Board of Directors of the Holding Company, who in turn has approved the said amendment in their meeting held on 21st June 2022. The amendment in the ESPS scheme is subject to the approval of the Shareholders of the Holding Company in their Annual General Meeting scheduled on 22nd July 2022.

a) **Movement of Equity Shares allotted to the Trust and transferred by Trust to eligible employees as on 31st March, 2022 & 31st March, 2021:**

Particulars	Trust Number of Shares As at 31st March, 2022	Trust Number of Shares As at 31st March, 2021
Opening at the beginning of the year	41,550	-
Add : Equity Shares Allotted to trust by the Holding Company during the year	-	2,511,197
Add : Equity Shares transferred by employees to trust on termination	76,500	-
Less: Equity Shares transferred to the eligible employee by the Trust during the year	(28,500)	(2,469,647)
Outstanding at the end of the year	89,550	41,550

b) **Details of Equity Shares allocated to the eligible employees and are held under lock-in period by Trust, for the benefit of employees under the Scheme, as on 31st March, 2022 & 31st March, 2021:**

Particulars	Trust Number of Shares As at 31st March, 2022	Trust Number of Shares As at 31st March, 2021
Opening balance at the beginning of the year	2,469,647	-
Add: Equity Shares Allotted during the year	-	2,469,647
Less: Equity Shares transferred by employees to trust on termination	(76,500)	-
Less: Equity Shares unlocked during the year	-	-
Total balance at the end of the year	2,393,147	2,469,647

c) The effect of share-based payment plan on the Financial Statements:

	(Amount in Rs. Million) 2021-22	2020-21
Expense arising from employee share-based payment plan	0.57	0.23
Deferred Expense arising from employee share-based payment plan	67.01	68.93

48 (a) Assets Held for Sale

During the year, the Board of Directors of the Holding Company had approved an agreement to sell entered for selling of its entire Land held at Chinhat, Lucknow for INR 111.10 Million, which has however been cancelled. Further, the Company is exploring other alternative deals and hence, the Company has classified the said Land amounting to INR 148.93 Million as assets held for sale and have stated it at INR 111.10 Million being the lower of carrying amount and estimated fair value of the said investment less costs to sell.

(b) Discontinued operations

Disposal of Composite Interceptive Med Science Laboratories Private Limited

The Holding Company had entered into a Share Purchase Agreement dated 12th March 2020 for disinvestment of its entire equity investment held in Composite Interceptive Med Science Laboratories Private Limited(Subsidiary of the Company) for INR 2 lakhs and accordingly, all the assets and the liabilities of the said subsidiary were disclosed under “Assets classified as held for sale and discontinued operations” / “Liabilities directly associated with assets classified as held for sale and discontinued operations” during the previous period in the Consolidated Balance Sheet in accordance with the provisions of Indian Accounting Standard 105 – ‘Non-current Assets Held for Sale and Discontinued Operations’.

The said transaction of sale of equity shares was executed on 4th April, 2020 on achievement of the closing conditions as defined in the said Share Purchase agreement and the loss of discontinued operations and the resultant loss on disposal has been included in the consolidated financial statements as loss from discontinued operations.

Financial performance and cash flows of the Subsidiary Company is as below:

(i) Analysis of profit / (loss) from discontinued operations

	For the period 1 April, 2020 to 4 April, 2020
Profit / (loss) for the year from discontinued operations	
Revenue From Operations	-
Other Income	-
Total Income	**-**
Employee Benefit Expense	-
Finance Cost	-
Depreciation & Amortisation Expense	-
Other Expenses	-
Total Expenses	**-**
(Loss) Before Tax from Discontinued Operations	**-**
Tax Expense:	
Current tax	-
Deferred tax	-
(Loss) for the Year from Discontinued Operations	**-**

Total Comprehensive Income For The Period from Discontinued Operations

Net cash (outflows) / inflows from operating activities	-
Net cash used in investing activities	-
Net cash (outflows) / inflows from financing activities	-
Net cash (outflows) / inflows	**-**

iii) Computation of loss on disposal of the subsidiary

Cash consideration received	0.16
Less: Carrying value of net asset sold (Refer Note iv below)	4.48
Less: Goodwill on acquisition	-
Add: Share of Non Controlling Interest	(10.71)
Profit/(Loss) on Disposal	**(15.03)**

(iv) Book value of assets and liabilities of discontinued operations derecognised

Details of Assets Held for Sale of Discontinued Operations

	As at 4th April. 2020
Non Current Assets	
Property, Plant And Equipment	6.96
Intangible Assets	0.01
Right Of Use Assets	7.27
Financial Assets	-
Loans	0.37
Deferred Tax Assets (Net)	0.36
Other Non-Current Assets	0.01
	-
Current Assets	-
Financial Assets	-
Cash And Cash Equivalents	0.23
Current Tax Assets (Net)	0.43
Other Current Assets	3.79
Total Assets	**19.43**

Details of Liabilities directly associated with the Discontinued Operations

Non-Current Liabilities	
Borrowings	4.68
Other Financial Liabilities	6.41
Deferred Tax Liabilities (Net)	-
Provisions	0.35
	-
Current Liabilities	-
Trade Payables	0.32
Other Financial Liabilities	2.54
Other Current Liabilities	0.65
Total Liabilities	**14.95**
Net Assets	**4.48**

49 Additional information, as required under Schedule III to the Companies Act, 2013, in respect of enterprises consolidated.

As at 31st March, 2022

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount in INR Million	As % of consolidated profit or loss	Amount in INR Million	As % of consolidated other comprehensive income	Amount in INR Million	As % of consolidated total comprehensive income	Amount in INR Million
Parent								
Organic India Private Limited	73.55	1,846.74	547.39	94.00	94.25	4.31	451.93	98.31
Subsidiaries								
Foreign								
- Organic India USA LLC	10.05	252.40	(239.02)	(41.05)	-	-	(188.67)	(41.05)
- The Clean Program Corp.	9.77	245.33	44.07	7.57	-	-	34.78	7.57
Non Controlling Interest	7.14	179.17	(231.44)	(39.75)	-	-	(182.68)	(39.75)
Associates								
- Nutriwel Health (India) Private Limited	(0.50)	(12.58)	(20.99)	(3.60)	5.75	0.26	(15.36)	(3.34)
Total	**100.00**	**2,511.05**	**100.00**	**17.16**	**100.00**	**4.57**	**100.00**	**21.73**

50 Impairment

In the opinion of the Management of the Holding company, as confirmed by the Board of Directors, in accordance with Indian Accounting Standard (Ind AS) 16 on "Property, Plant and equipment"/Indian Accounting Standard (Ind AS) 36 on Ïmpairment of Assets" the reduction in value of other assets to the extent required, has been provided for in the books. In respect of the assets at the subsidiary, the impairment testing is based on the realizable value of underlying assets as reviewed and tested at the level of the Board of Directors at the subsidiary and as confirmed by the Board of Directors of the subsidiary. Accordingly, the Wholly Owned Overseas Subsidiary Company has recognized provision for impairment amounting to INR 47.96 Million on Goodwill arisen on consolidation of its subsidiary in accordance with Indian Accounting Standard (Ind AS) 36 on Ïmpairment of Assets".

51 Due to Micro, Small And Medium enterprises as defined under the MSMED Act, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier:

	March 31 ,2022 (Amount in INR Million)	March 31 ,2021 (Amount in INR Million)
Principal amount due to micro and small enterprises	62.83	42.45
Interest due on above	-	-
Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day	- -	- -
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the MSMED Act, 2006.	- -	- -
Amount of interest accrued and remaining unpaid	-	-

52 The Holding Company, being a subsidiary of Fabindia Limited (formerly known as Fabindia Private Limited and Fabindia Overseas Private Limited), became a "Deemed Public Limited Company" with effect from October 22, 2021 invoking applicability of Section 197 of the Companies Act, 2013 ('the Act") effective financial year ending March 31, 2022. The managerial remuneration paid / payable to directors of the Holding Company up to the period March 31, 2022 has been approved by the Board of Directors and further approved by the shareholders in the extraordinary general meeting of shareholders held on 28th April 2022, except for few directors which shall be approved in the ensuing annual general meeting / extraordinary general meeting of shareholders to be held on 22nd July 2022.

53 Other notes

(a) As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Holding Company as per the Act. The CSR committee of the Holding Company provides an oversight of CSR policy execution to ensure that CSR objectives of the Holding Company are met.

The financial details as sought by the Act are as follows:

Particulars	For the year ended 31 March, 2022 (Amount in INR Million)	For the year ended 31 March, 2021 (Amount in INR Million)
Average net profits of the Holding Company for last three financial years	156.71	293.05
Amount required to be spent by the Holding Company	3.13	5.86
Amount of expenditure incurred	3.20	5.86
Shortfall	-	-
Total of previous years shortfall	-	-
Reason for Shortfall	NA	NA
Nature of CSR Activities	Promoting health care including preventive health care, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	Promoting health care including preventive health care, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
Amount spent to Related Party		
- Organic India Foundation	3.20	5.86
Provision taken	-	-

(b) Debit and credit balances of trade payables, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties.

(c) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Group other than Property, Plant & Equipment and non-current investments, and have come to a conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the consolidated balance sheet. On account of outbreak of Covid-19 impact, there may be certain delays in recoveries of Current Assets/ Loans and Advances but there is not likely to be any material reduction in values. Although Management expects a slowdown, there are no plans to downsize the Group's operations presently or in the near future.

(d) The Holding Company had transferred certain land for INR 33.12 Million to Ganga Yamuna Agro Technologies and Plantation Private Limited (the Company in which director is interested) in the financial year 2012-13, the sale deed of which has been executed during the current year.

(e) The Group has not been declared a wilful defaulter by any banks or financial institutions. Further, the Group has filed the quarterly statements of the current assets with the banks which are in agreement with the books of accounts, except for inventories where amount reported is at cost (excluding fixed and variable overheads).

(f) No funds have been received by the Group from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(g) The Code on Social Security 2020 (‘the Code’) relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.
The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(h) 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 Group to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(i) The Hodling Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(j) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(k) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

(l) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(m) The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year ended 31st March, 2022 / 31st March, 2021 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.

(n) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

54 The Step down Subsidiary Company, Clean Program Corp. (CPC) has incurred loss before tax amounting to INR 59.10 Million for the year ended 31st March, 2022 mainly due to discontinue of existing products and delay in launch of new products causing disupply chain breakdown during the year. There was a serious out of stock situation for few months resulting in cash burn during the financial year. The management has reasonable expectation that the future cash flow projections will support the carrying value of tangible and intangible assets of the Company as at March 31, 2022. The management of the Holding Company and its wholly owned overseas subsidiary believes that CPC would have adequate resources to continue its operational existence for the foreseeable future. The management has projected 57% increase in the revenue during the financial year 2022-2023 over the current year and 13% increase as compared to the previous financial year which it believes is achievable. Supply chain issues are being fixed whereby CPC has started purchasing the products from the Holding Company. The actualisation of projections is dependent on market conditions and consistent supply of products. The management is confident that it will be able to achieve desired revenues therefore it has the ability to meets its current and future liabilities including potential losses, if any.

"Signatures to Notes 1 to 54"

"AS PER OUR REPORT OF EVEN DATE"

ON BEHALF OF BOARD OF DIRECTORS

FOR A. PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N

VIKRAM SINGH
DIRECTOR
DIN: 07153318
PLACE:NEW DELHI
DATE: 21st JUNE 2022

SUBRATA DUTTA
GROUP MANAGING DIRECTOR
DIN: 02004997
PLACE: NEW DELHI
DATE: 21st JUNE 2022

JYOTI SUBARWAL
PARTNER
MEMBERSHIP NUMBER: 080654
PLACE: NEW DELHI
DATE: 21st JUNE 2022

ALOK KUMAR
M.NO- A26369
COMPANY SECRETARY
PLACE:NEW DELHI
DATE: 21st JUNE 2022

VIKASH
CHIEF FINANCIAL OFFICER

PLACE:NEW DELHI
DATE: 21st JUNE 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **ORGANIC INDIA PRIVATE LIMITED**

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ORGANIC INDIA PRIVATE LIMITED** (hereinafter referred to as the "Holding Company') and its subsidiaries (the Holding Company, its subsidiaries together referred to as 'the Group') and its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss(including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March 2021 and their consolidated profit and other comprehensive income, their consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to the audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance / conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether the Group has in place an adequate internal financial control system with reference to the financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

a) We did not audit the consolidated financial statements of an Overseas Wholly-Owned Subsidiary Company consolidated with its subsidiary, whose consolidated accounts have been modified and adapted to fit-for consolidation (FFC) based on the audited consolidated financial statements which reflect total assets of INR 10,305 lakhs as at 31st March, 2021 (Previous Year INR 10,700 lakhs), total revenues of INR. 19,564 lakhs (Previous Year INR. 16,838 lakhs) and net cash flows amounting to INR. (368.76) lakhs (Previous Year INR. (209.81) lakhs) and we also did not audit the financial statements of one of its domestic Subsidiary Company whose unaudited financial statements are certified by the management and which reflect total assets of INR 195 lakhs as at 4st April, 2020 (Previous Year INR 195 lakhs), total revenues of Nil (Previous Year 88 lakhs) and net cash flows amounting to INR. Nil (Previous Year INR. (87) lakhs/-) for the period ended on that date as considered in the consolidated Financial statements. The consolidated financial statements also include the Group's share of net loss of INR 42 lakhs/- for the year ended 31st

March 2021 (Previous year INR 43 lakhs) as considered in the consolidated financial statements in respect of its associates, whose financial statements have not been audited by us

These financial statements have been audited by other auditor(excepting one of its domestic subsidiary as above) whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the certified accounts/information received from the management of the Holding Company and reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss(including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;

   e. On the basis of written representations received from the directors of Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies, associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2021, from being appointed as a Director in terms of Section 164(2) of the Act;

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in ''Annexure-A''; and

   g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      a) the consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate.

b) the Group and its associate has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

c) there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate entity.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654
UDIN: 21080654AAAAHK5835

Place: NEW DELHI
Date: 21st July 2021

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF ORGANIC INDIA PRIVATE LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2021

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act') as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to financial statements of ORGANIC INDIA PRIVATE LIMITED (hereinafter referred to as 'the Holding Company').In respect of its Subsidiary Companies which are companies incorporated in India and foreign subsidiaries, the audit of internal financial controls is not applicable as of that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI).

3. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

4. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company which is incorporated in India, based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ''Guidance Note'') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system with reference to financial statements of the aforesaid entities.

Meaning of Internal Financial Controls with reference to Financial Statements

7. A company's internal financial control 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 control with reference to financial statements includes those policies and procedures that:

   (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
   (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

9. In our opinion, the Holding Company which is incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the internal financial control with reference to financial statements criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654
UDIN: 21080654AAAAHK5835

Place: NEW DELHI
Date: 21st July 2021

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

ASSETS	**Notes**	**AS AT 31 MARCH 2021 (Amount in INR Lakhs)**	**AS AT 31 MARCH 2020 (Amount in INR Lakhs)**
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	3a	10,643	11,446
CAPITAL-WORK-IN PROGRESS	3a	-	52
GOODWILL ON CONSOLIDATION	3b	5,683	5,793
INTANGIBLE ASSETS	3b	1,260	1,470
INTANGIBLE ASSETS UNDER DEVELOPMENT	3b	82	68
RIGHT OF USE ASSETS	3c	2,798	3,236
FINANCIAL ASSETS			
INVESTMENT	4	2,276	2,153
LOANS	5	524	325
OTHERS	6	43	93
NON CURRENT INCOME TAX ASSETS (NET)	7	1,340	705
OTHER NON-CURRENT ASSETS	9	464	136
TOTAL NON-CURRENT ASSETS		**25,113**	**25,477**
CURRENT ASSETS			
INVENTORIES	10	7,350	7,954
FINANCIAL ASSETS			
TRADE RECEIVABLES	11	6,228	8,518
CASH AND CASH EQUIVALENTS	12	1,798	3,213
BANK BALANCES OTHER THAN ABOVE	13	231	217
LOANS	14	288	122
OTHERS	15	63	20
OTHER CURRENT ASSETS	16	4,209	3,048
TOTAL CURRENT ASSETS		**20,167**	**23,092**
OPERATIONS	47	-	194
TOTAL ASSETS		**45,280**	**48,763**
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	17	8,266	8,019
OTHER EQUITY	18	14,242	12,848
NON CONTROLLING INTEREST		2,125	2,173
TOTAL EQUITY		**24,633**	**23,040**
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	19	2,385	4,617
OTHER FINANCIAL LIABILITIES	20	2,091	2,206
DEFERRED TAX LIABILITIES (NET)	8	147	52
OTHER NON CURRENT LIABILITIES	21	-	3
PROVISIONS	22	267	275
TOTAL NON- CURRENT LIABILITIES		**4,890**	**7,153**
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	23	7,463	8,015
TRADE PAYABLES	24		
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES		424	324
TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		3,249	4,503
OTHER FINANCIAL LIABILITIES	25	3,763	4,361
OTHER CURRENT LIABILITIES	26	836	1,202
PROVISIONS	27	22	17
			-
TOTAL CURRENT LIABILITIES		**15,757**	**18,421**
LIABILITIES DIRECTLY ASSOCIATED WITH DISCONTINUED OPERATIONS	47	-	149
TOTAL EQUITY AND LIABILITIES		**45,280**	**48,763**

THE NOTES 1 TO 51 FORMS AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

"AS PER OUR REPORT OF EVEN DATE"

FOR A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N

ON BEHALF OF BOARD OF DIRECTORS

JYOTI SUBARWAL
PARTNER
MEMBERSHIP NUMBER: 080654
PLACE: NEW DELHI
DATE: 21 JULY 2021

VIKRAM SINGH
DIRECTOR
DIN: 07153318
PLACE:NEW DELHI
DATE: 20 JULY 2021

SUBRATA DUTTA
GROUP MANAGING DIRECTOF
DIN: 02004997
PLACE:NEW DELHI
DATE: 20 JULY 2021

ALOK KUMAR
M.NO-A26369
COMPANY SECRETARY
PLACE:NEW DELHI
DATE: 20 JULY 2021

VIKASH
CHIEF FINANCIAL OFFICER
PLACE:NEW DELHI
DATE: 20 JULY 2021

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	FOR THE YEAR ENDED 31 MARCH 2021 (Amount in INR Lakhs)	FOR THE YEAR ENDED 31 MARCH 2020 (Amount in INR Lakhs)
INCOMES			
REVENUE FROM OPERATIONS	28	39,477	34,485
OTHER INCOME	29	1,108	1,250
TOTAL INCOME		**40,585**	**35,735**
EXPENSES			
COST OF MATERIALS CONSUMED	30	10,055	8,321
(INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS	31	(126)	(1,621)
PURCHASES FOR RESALE		2,102	2,847
EMPLOYEE BENEFITS EXPENSE	32	6,576	5,435
FINANCE COSTS	33	950	1,122
DEPRECIATION AND AMORTISATION EXPENSE	3	2,195	2,025
OTHER EXPENSES	34	17,902	16,789
TOTAL EXPENSES		**39,654**	**34,918**
PROFIT FROM CONTINUING OPERATIONS BEFORE SHARE OF ACCUMULATED PROFIT/(LOSS) IN ASSOCIATE COMPANIES, EXCEPTIONAL ITEMS AND TAX		**931**	**817**
SHARE OF ACCUMULATED PROFIT/(LOSS) IN ASSOCIATE COMPANIES		(42)	(44)
PROFIT FROM CONTINUING OPERATIONS BEFORE EXCEPTIONAL ITEMS AND TAX EXPENSE		**889**	**773**
EXCEPTIONAL ITEMS			
PROVISION FOR IMPAIRMENT LOSS IN VALUE OF INVESTMENT		-	-
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX EXPENSE		**887**	**773**
TAX EXPENSE:			
CURRENT TAX		(397)	(211)
EARLIER YEARS TAX	35	(15)	9
DEFERRED TAX LIABILITY/(ASSET) CREATED		(7)	40
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (I)		**468**	**611**
DISCONTINUED OPERATIONS			
PROFITS/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS		-	(198)
PROFIT/(LOSS) ON DISPOSAL OF SUBSIDIARY	47	(150)	9
TAX EXPENSE OF DISCONTINUED OPERATIONS		-	(157)
(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS (II)		**(150)**	**(346)**
PROFIT/(LOSS) FOR THE YEAR (III= I+II)		**318**	**265**
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
ACTUARIAL GAIN/(LOSS) ON DEFINED BENEFIT OBLIGATION		19	(20)
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		(5)	5
SHARE OF OTHER COMPREHENSIVE INCOME /(LOSS) FROM ASSOCIATES		0	1
ITEMS THAT WILL BE RECLASSIFIED FROM PROFIT OR LOSS			
FOREIGN CURRENCY TRANSLATION DIFFERENCES		361	187
INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED FROM PROFIT OR LOSS		(84)	(96)
SHARE OF OTHER COMPREHENSIVE INCOME /(LOSS) FROM ASSOCIATES		-	-
TOTAL OTHER COMPREHENSIVE INCOME		291	77
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**609**	**342**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		150	161
NON-CONTROLLING INTERESTS		168	104
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		291	77
NON-CONTROLLING INTERESTS		-	0
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		441	238
NON-CONTROLLING INTERESTS		168	104
EARNINGS PER EQUITY SHARE - CONTINUING OPERATIONS	37		
BASIC		0.37	0.54
DILUTED		0.37	0.54
EARNINGS PER EQUITY SHARE - DISCONTINUED OPERATIONS			
BASIC		(0.19)	(0.34)
DILUTED		(0.19)	(0.34)
EARNINGS PER EQUITY SHARE - CONTINUING AND DISCONTINUED OPERATIONS			
BASIC		0.18	0.20
DILUTED		0.18	0.20

THE NOTES 1 TO 51 FORMS AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

"AS PER OUR REPORT OF EVEN DATE"

FOR A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N

ON BEHALF OF BOARD OF DIRECTORS

VIKRAM SINGH
DIRECTOR
DIN: 07153318
PLACE:NEW DELHI
DATE: 20 JULY 2021

SUBRATA DUTTA
GROUP MANAGING DIRECTOR
DIN: 02004997
PLACE:NEW DELHI
DATE: 20 JULY 2021

JYOTI SUBARWAL
PARTNER
MEMBERSHIP NUMBER: 080654

PLACE: NEW DELHI
DATE: 21 JULY 2021

ALOK KUMAR
M.NO-A26369
COMPANY SECRETARY
PLACE:NEW DELHI
DATE: 20 JULY 2021

VIKASH
CHIEF FINANCIAL OFFICER
PLACE:NEW DELHI
DATE: 20 JULY 2021

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2021

		FOR THE YEAR ENDED 31 MARCH 2021 (Amount in INR Lakhs)	FOR THE YEAR ENDED 31 MARCH 2020 (Amount in INR Lakhs)
A.	**Cash flow from operating activities**		
	Net profit before tax and after exceptional items from continuing operations	886	773
	Net profit before tax and after exceptional items from discontinuing operations	(150)	(189)
	Adjustments for non-cash items:		
	Depreciation and amortisation	2,195	2,050
	Employee Stock Option Compensation Expense	265	6
	Loss on Disposal of subsidiary	150	-
	Interest expense	786	971
	Interest expense on lease liability	164	158
	Interest income	(200)	(182)
	Loss on sale of Property, Plant & Equipment	27	3
	Loss on sale of Govt Scrips	-	3
	Obsolete Stock written off	511	131
	Bad debts / advances written off	369	89
	Excess Provision Written Back	(25)	(32)
	Provision for rent equalization	-	-
	Provision for Impairment of investments	439	-
	Loss/(gain) arising on Derivatives measured at FVTPL	(259)	370
	Net (Gain)/ Loss arising on financial assets measured at FVTPL	(66)	(749)
	Share of accumulated profit / (loss) in associate company	42	44
	Provision for Expiry	174	155
	Provision/ Liability no longer required written back	(151)	(13)
	Gain arising on disposal of Right of Use Assets	(21)	-
	Provision for doubtful advance created/ (written back)	8	331
	Provision for Sales Tax Form Written Back	(2)	-
	Provision for asset retirement obligation written back	-	-1
	Provision for Non Moving Inventory Created/ (Written Back)	(169)	(88)
	Provision for gratuity & leave encashment	14	76
	Reversal of prior period expenses	-	-
	Operating profit before working capital changes	**4,987**	**3,906**
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	1,982	(1,014)
	(Increase)/decrease in inventories	263	(843)
	(Increase)/decrease in loans	(366)	(133)
	(Increase)/decrease in other assets	(1,582)	(75)
	Increase/(decrease) in trade payables	(1,153)	2,169
	Increase/(decrease) in financial liabilities	416	(677)
	Increase/(decrease) in other liabilities	(507)	299
	Increase/(decrease) in provisions	-	-
	Effect of Foreign Exchange Translation (Other than Fixed Assets)	57	(277)
	Cash generated from/(used in) operations	**4,097**	**3,355**
	Income tax paid (net of refund received)	(1,044)	(367)
	Net cash from/(used in) operating activities	**3,053**	**2,988**
B.	**Cash flow from investing activities**		
	Purchase of Property, Plant & Equipment (including capital work- in- progress)	(812)	(1,571)
	Proceeds from sale of Property, Plant & Equipment (including insurance claim rec.)	26	1
	Government Grant Received	-	230
	Proceeds from sale of non-current investments (Disposal of subsidiary)	2	16
	Purchase of investments	-	-
	Investments in bank deposits (with original maturity over 3 months)	(14)	235
	Proceeds from bank deposits (with original maturity over 12 months)	(3)	724
	Interest received (revenue)	46	102
	Dividend received	-	-
	Dividend Paid	-	-
	Net cash from/(used in) investing activities	**(755)**	**(263)**
C.	**Cash flow from financing activities**		
	Proceeds/ (Repayment) of short-term borrowings	(580)	2,428
	Repayment of long-term borrowings	(2,338)	(1,575)
	Proceeds from long-term borrowings	-	47
	Proceeds From Issue Of Shares (Including Share Premium)	938	27
	Principal Portion of Lease Liability Paid	(554)	(681)
	Interest Portion of Lease Liability paid	(164)	(158)
	Proceeds From Non-controlling Interest	0	1
	Interest paid	(768)	(950)
	Dividend paid	(278)	(802)
	Dividend tax paid	-	(165)
	Net cash from/(used in) financing activities	**(3,744)**	**(1,828)**
	Net increase/(decrease) in cash & cash equivalents	**(1,446)**	**897**
	Cash & cash equivalents at the beginning of the year	2,469	1,571
	Cash & cash equivalents acquired on account of acquisitions	-	-
	Cash & cash equivalents at year end	1,023	2,468
	Net increase/(decrease) in cash & cash equivalents	**(1,446)**	**897**

	FOR THE YEAR ENDED 31 MARCH 2021	FOR THE YEAR ENDED 31 MARCH 2020

NOTES:

1 The above cash flow statement has been prepared under the "Indirect method" set out in the Accounting Standard-3 on Cash Flow Statements.

2 Figures in bracket indicate cash outflow.

3 Previous year figures have been regrouped and recast wherever necessary to conform to current year's classification.

4 Cash and cash equivalents at the end of the year consist of cash on hand and balance with banks as follows:

Notes

1. The above cash flow statement has been prepared under the indirect method set out in Ind AS-7 "Statement of Cash Flows".
2. Figures in brackets indicates cash outflow.
3. Cash and cash equivalents at the end of the year consist of the following:

	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
	`	
Cash on hand	2	512
Cheque in hand	1	-
Balance with banks		
- in current accounts	1,796	2,700
Deposits with maturity of less than three months	-	3
Bank overdrafts used for cash management purpose	(776)	(747)
Total cash and cash equivalents	**1,023**	**2,468**

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CHIEF FINANCIAL OFFICER

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DATE: 20 JULY 2021

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(Amount in INR Lakhs)

Particulars	Amount
Balance as at 1 April 2019	**7,992**
Changes in Equity Share Capital during the year	27
Balance as at 31 March 2020	**8,019**
Changes in Equity Share Capital during the year*	247
Balance as at 31 March 2021	**8,266**

* Net of 41,550 equity shares held as treasury shares by Organic India Employees Welfare Trust for issuance to employees of the Company under Organic India Private Limited Employee Share Purchase Scheme 2021(Refer Note 46)

B. OTHER EQUITY

(Amount in INR Lakhs)

Particulars	Reserves & Surplus				Other Comprehensive Income		Attributable to the owners of the parent	Non Controlling Interest	Total
	Securities Premium	General Reserve	Stock Option Outstanding	Retained Earnings	Remeasurements of the net defined benefit Plans (Net of tax)	Foreign Currency Translation Reserve			
Balance as at 1 April 2019	1,741	163	71	11,364	5	227	13,571	1,979	15,550
Profit for the year	-	-	-	161	-	-	161	104	265
Share of non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Share of non controlling interest on Disposal of a subsidiary	-	-	-	-	-	-	-	1	1
Employee Stock Options Compensation (Refer Note No. 45)	-	-	6	-	-	-	6	-	6
Addition on account of issue of equity shares under Employees Stock Option Plan	76	-	(76)	-	-	-	-	-	-
Addition on account of issue of equity shares	-	-	-	-	-	-	-	-	-
Transfer to General Reserve on cancellation of options issues under Employees Stock Option Plan	-	2	(2)	-	-	-	-	-	-
Transfer from Retained Earnings	-	1	-	(1)	-	-	-	-	-
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	(14)	-	(14)	0	(14)
Other Comprehensive Income	-	-	-	-	-	91	91	89	180
Total Comprehensive Income for the year	76	3	(72)	160	(14)	91	244	194	438
Dividends (including Corporate Dividend Tax)	-	-	-	(967)	-	-	(967)	-	(967)
Balance as at 31 March 2020	1,817	166	-	10,557	(9)	318	12,848	2,173	15,022
Profit for the year	-	-	-	150	-	-	150	168	318
Share of non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Share of non controlling interest on Disposal of a subsidiary	-	-	-	-	-	-	-	107	107
Addition on account of issue of equity shares under Employees Share Purchase Scheme	691	-	-	-	-	-	691	-	691
Employee Stock Options Compensation (Refer Note No. 45)	-	-	262	-	-	-	262	-	262
Addition on account of issue of equity shares under Employees Stock Option Plan	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings	-	-	-	-	-	-	-	-	-
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	14	-	14	-	14
Other Comprehensive Income*	-	-	-	-	-	277	277	(45)	232
Total Comprehensive Income for the year	691	-	262	150	14	277	1,394	230	1,624
Dividends (including Corporate Dividend Tax)	-	-	-	-	-	-	-	(278)	(278)
Balance as at 31 March 2021	2,508	166	262	10,707	5	595	14,242	2,125	16,367

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021

STATEMENT OF CHANGES IN EQUITY

Notes

* Other Comprehensive income for the Non Controlling represents the exchange translation of the amount of Non Controlling Interest based on the consolidated financial statements of Organic India USA LLC with its subsidiary Clean Program Corp.

THE NOTES 1 TO 51 FORMS AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

"AS PER OUR REPORT OF EVEN DATE"

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VIKASH
CHIEF FINANCIAL OFFICER

PLACE:NEW DELHI
DATE: 20 JULY 2021

1. Company Overview

ORGANIC INDIA PRIVATE LIMITED ('the Holding Company') domiciled in India was incorporated under the provisions of the Companies Act, 1956, on 17th February 1997. The Holding Company, its subsidiaries and its associates are jointly referred to as “Group”.

The Holding Company is engaged in the business of processing, manufacturing and marketing of certified organic Tulsi herbal infusions, herbal supplements, Ayurvedic medicines and other organic food products and spices. During the previous year, the Holding Company has shifted from Trading to solely Contract Manufacturing of certain Finished Goods.

During the previous year, the Department of Economic Affairs, Ministry of Finance has issued the Foreign Exchange Management (Non-Debt Instruments) (Amendment) Rules, 2019 on 05th December 2019 where under FDI upto 100% has been allowed in contract manufacturing activity under the automatic route. Manufacturing activities may be either self-manufacturing by the investee entity or contract manufacturing in India through a legally tenable contract, whether on principal to principal or principal to agent basis. Prior to the introduction of the said rules, there was no separate provision related to FDI in contract manufacturing under the consolidated FDI policy. With the introduction of these rules, the Holding Company’s current activities are fully covered within the ambit of manufacturing (including contract manufacturing) for which FDI upto 100% is permissible under the automatic route.

The subsidiary/Associates considered in these consolidated financial statements are as below: -

a) Organic India USA LLC, a wholly owned subsidiary company domiciled in United States of America which is engaged in the marketing and the trading of the organic products.

b) The Clean Program Corp, a subsidiary company of Organic India USA, LLC domiciled in United States of America. Organic India USA, LLC owns 50.01% of its voting power as on 31st March 2021 which is engaged in manufacturing (through co-manufacturers) and sells supplements and protein shakes direct-to-consumer through its website.

c) Composite Interceptive Med-Science Laboratories Private Limited, a subsidiary company domiciled in India. The Holding Company owns Nil % of its voting power as on 31st March 2021 (31st March 2020- 80.00%). The subsidiary is engaged in scientific research and development activities. The Holding Company had entered in to an agreement on 12th March 2020 for transfer of its entire holding in the subsidiary and the said sale has been executed on 4th April 2020.

d) Nutriwel Health (India) Private Limited, deemed associate domiciled in India. The Holding Company owns 11% of its voting power as on 31st March 2021. The associate is engaged in the business of general medical consultancy aimed at weight loss, enhancement of health and fitness status, general wellbeing and improving the quality of life of individuals.

The Group consolidated financial statements were approved and authorized for issue by the Holding Company’s Board of Directors on 20th July 2021.

2. Basis for Preparation, Measurement and Significant Accounting Policies

A. Basis of preparation of financial statements and Statement of Compliance

These consolidated financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified).The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

a. Defined benefit pension plans – plan assets measured at fair value.
b. Land and buildings classified as property, plant and equipment.
c. Contingent Consideration
d. Leasehold land classified as right-of-use asset.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these consolidated financial statements

B. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

C. Principles of Consolidation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS-110) – "Consolidated Financial Statements" and Indian Accounting Standard 28 (Ind AS-28) – "Investment in Associates and Joint Ventures". These Consolidated financial statements comprise the standalone financial statements of Holding Company and the following subsidiaries: -

Name of the Company	Country of Incorporation	Holding (%)	
		As at 31.03.2020	As at 31.03.2019
Organic India USA LLC	USA	100.00%	100.00%
The Clean Program Corp (Subsidiary through Organic India USA, LLC i.e. 100% of 50.01%)	USA	50.01%	50.01%
Composite Interceptive Med-Science Laboratories Private Limited*	India	Nil	80.00%
Godwar Farmers Collective Private Limited (up to 31st August 2019)	India	Nil	84.21%
Organic India Employees Welfare Trust (w.e.f 23rd December 2020)**	India	Nil	Nil

*Considered as a Discontinued operation as per Ind AS-105 as the said investment has been held for sale in pursuance of the agreement entered by the Holding Company on 12th March 2020 for sale of the entire shareholding held in the subsidiary and the said sale has been executed on 4th April 2020.

** Deemed Subsidiary by way of exercising of control being the settlor of the trust and having power on the board of trustees of Organic India Employees Welfare Trust.

and the following associates:

Name of the Company	Country of Incorporation	Holding (%)	
		As at 31.03.2020	As at 31.03.2019
Nutriwel Health (India) Private Limited *	India	11.00%	11.00%

*Deemed Associate by way of exercising of significant influence through representation of one third of voting power on the board of Nutriwel Health (India) Private Limited.

Control is achieved when the Company is exposed to or has right to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The result of the subsidiaries and associates acquired or disposed off during the year are included in the consolidated financial statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

The Consolidated financial statements have been prepared on the following basis:

- the standalone financial statements of the Holding Company, consolidated financial statements of Organic India USA, LLC, its wholly owned foreign subsidiary, standalone financial statements of Composite Interceptive Med-Science Laboratories Private Limited, its Indian subsidiary company and Godwar Farmers Collective Private Limited, its Indian subsidiary company have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.

- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

- These financial statements are prepared by applying uniform accounting policies in use at the Group.

- Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest on non-controlling shareholders may be initially measure either at fair value or at the non-controlling interests proportionate share of the net value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if it results in the non-controlling interest having a deficit balance.

- Associates are those enterprises over which the Group has significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

- When the Group's share of losses exceeds the carrying value of the associate, the carrying value of its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate) is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

D. Business Combination

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognized in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognized as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. If the net fair value of the identifiable assets and liabilities, exceed the cost of acquisition, the excess is recognized as Capital reserve on consolidation.

E. Critical accounting judgements and key source of estimation uncertainty

The preparation of these financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Employee Benefits:
Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 44.

(ii) Taxes on Income

Income Tax:
Tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Group adjusts taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

Deferred Tax:
Deferred Tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised and are reviewed at each reporting date and reduced to the extent it is no longer probable that related tax benefit will be realised.

(iii) Assets retirement obligation (ARO):

The liability for assets retirement obligation are recognized when the Group has obligation to perform store/shop restoration activity. The recognition and measurement of ARO involves the use of estimates and assumptions which includes the timing of handing over the licensed premises which would depend upon the lease period, the carpet area and pre-tax rate applied for discounting.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Depreciation/ amortization/impairment, useful lives and residual value of Property, Plant and Equipment/ Intangible Assets:

Property, Plant and Equipment / Intangible Assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

(vi) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(vii) Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

(viii) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared as a global pandemic by the World Health Organisation with adverse impact on economy and businesses. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states/countries followed by the lockdowns from time to time to stem the spread of COVID-19. Due to this the operations of the Group got disrupted from time to time.

In light of these circumstances, the Group has considered the possible impact that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information and based on current estimates the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

F. 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,
- 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.

G. Significant Accounting Policies

(a). Property, Plant and Equipment

(i) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, interest cost up to the date of construction, expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. The cost amount and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are charged to the Statement of Profit and Loss when incurred.

(ii) The Group has adopted component accounting, wherever applicable, and identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over the lower of the useful life of the component and that of the principal asset; the remaining asset is depreciated over the life of the principal asset.

(iii) Depreciation is recognized on a Straight-line basis over the useful life as specified under Schedule II of the Act, as given below except for leasehold improvements being considered as part of building and depreciated over the period of 30 years as leases will be renewed and kept for longer period.

Particulars	**Useful Life**
Factory Buildings	30 Years
Building other than factory buildings	60 Years
Leasehold Improvements other than those considered as part of building	Over the period of lease
Furniture & Fixtures	10 Years
Plant and Equipments	3 Years to 15 Years
Office Equipment's	5 Years
Electrical Installation and Equipment (Including air conditioner and cooling equipments)	10 Years
Vehicle	8 Years
Computers	3 Years

Double shift Depreciation is provided for the eligible assets as per Schedule II of the Act wherever applicable.

(iv) The residual value of all depreciable assets, being negligible, except in case of building, is estimated at Nil. The residual value of building is considered at 5% of cost.

(v) Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for perpetuity. Holding Company has depreciated its leasehold property over the Lease period of 90 years.

(vi) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(vii) Cost of Property, Plant and Equipment not ready for intended use on the date of balance sheet are disclosed as "Capital Work- in- Progress".

(viii) The present value of the expected cost for the de-commissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions and provisions for further information about the recorded asset retirement obligation.

(b). Intangible Assets

(i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably in accordance with the notified Ind AS– 38 on "Intangible Assets".

(ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

(iii) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(iv) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

Particulars	Useful Life
Computer Software	5 Years
Trade Mark (Except for Patents which has been taken as infinite)	10 Years

(c). Impairment of Non-Financial Assets

The Group 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. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

(d). Right of Use Asset(ROU)/Leases

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right-of-use-assets (ROU assets) and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature.

Effective April 1, 2019, the Group has adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective Approach under which the Lease liabilities are recognized based on incremental borrowing rate on the initial application date i.e. 1st April, 2019 and same amount is recognized for ROU assets. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group has applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on the lease liability and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the ROU asset. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term.

(e). Financial Instruments

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

(i) Financial Assets

Financial assets include investments, trade receivables, advances other than trade and capital related, security deposits and cash and cash equivalents.

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group’s financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A ‘financial asset’ is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

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

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

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

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

(ii) Financial Liabilities

Financial liabilities primarily comprise of borrowings, trade payables and deposits.

Initial Recognition and Measurement

At initial recognition all financial liabilities are recognized at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at amortised cost

Financial liabilities are carried at amortized cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Treasury Shares

The Holding Company has created an Organic India Employees Welfare Trust (trust) for the administration of providing share-based payment to its employees, and thus the trust has been treated as its extension(branch) and accordingly, all the assets and liabilities of the trust are accounted as assets and liability of the Holding Company after eliminating the treasury shares of the Holding Company held by ESOP Trust on the basis that the Trust is merely acting as an agent of the Holding Company.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Holding Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in general reserve. Share options exercised during the year are satisfied with treasury shares.

(iv) Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109 "Financial Instruments".

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss except in case where Holding and subsidiary relationship exists, where it is adjusted against equity or in the statement of profit and loss proportionately based on the initial recognition of the said liability.

(v) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(f). Inventories

Inventories (including stock-in-transit) are stated at lower of cost being ascertained on weighted average cost basis and net realizable value. Cost of Finished goods includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Work-in-Progress is valued at cost based on stage completion.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

No valuation is done for damaged stock since its realizable value, if any, is negligible.

In the consolidated financial statements, unrealized profits on the inventories lying with the subsidiaries and associates has been adjusted.

(g). Foreign Currencies Transactions and Translations

The functional currency of the Holding Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains and losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Statement of Profit or Loss are also recognized in Other Comprehensive Income or Statement of Profit or Loss, respectively).

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Translation of financial statements of foreign entities:

On consolidation, the assets and liabilities of foreign operations are translated into ` (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of Profit & Loss as other comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

(h). Revenue form Contracts with Customers

The Holding Company derives revenues primarily from sale of manufactured goods, traded goods (up to 31st October 2019) and related services. Post 31st October 2019, the Holding Company has also started contract manufacturing activities.

i) Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from Sale of Products or Services are recognised at a point of time on which the performance obligation is satisfied.

ii) Insurance claims/Government Claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the Insurance Companies/Government Authorities.

iii) Dividend income from investments is recognized when the Group's right to receive payment is established.

iv) Interest income is accounted for by using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets. When calculating the effective interest rate, the Group estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(i). Government Grants

Grants received from Government are recognised when there is a reasonable assurance that the grant will be received upon by the Group complying with the conditions attached to the grant.

Accordingly, government grants:
(a). related to or used for assets, are deducted from the carrying amount of the asset.
(b). related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
(c). by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss except in case of grant related to assets shall be recognized by increasing the carrying amount of the asset and cumulative depreciation that should have been recognized in Statement of Profit & Loss to date in the absence of grant shall be recognized immediately.

Export incentives are accounted for on accrual basis as and when processed and admitted by the concerned authorities. Income on sale of import licenses is accounted for at the time of sale due to uncertainties involved. However, all losses on account of such sales affected before the finalization of accounts have been accounted following the conservative accounting principle

(j). Employee Benefits

(i) Short-Term Employee Benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

(ii) Post-Employment Benefits

Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.
The Group makes specified monthly contribution towards Provident Fund. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

All employees are covered under Employees' Gratuity Scheme which is a defined benefit plan. The Holding Company contributes to an approved Employees' Gratuity Fund maintained on behalf of the Holding Company which is subsequently paid by the fund to the Life Insurance Corporation of India as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognised in the balance sheet.

Defined benefit costs are recognised as follows:
a) Service cost in the statement of profit and loss
b) Net interest on the net defined benefit liability (asset) in the statement of profit and loss
c) Remeasurement of the net defined benefit liability / (asset) in other comprehensive income

Compensated leave of absence
Accrual for leave encashment benefit is based on actuarial valuation as on the date of balance sheet in pursuance of the Holding Company's leave rules.

(k). Share-Based Payments

i. Employee Stock Option Plan (ESOP):

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date in accordance with Ind AS 102, Share-Based Payment. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note 45.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Groups estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

ii. Employee Share Purchase Scheme (ESPS):

These are in the nature of employee benefit wherein the select employees shall be allowed to purchase the Company's equity shares at the fair value on the grant cum allotment date on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. These are recognized at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in note no. 46.

(I). Tax Expenses

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

<u>Current Tax</u>

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments and uses the approach that better predicts the resolution of uncertainty, the Company has considered, for example;

(a) How it prepares its income tax filings and supports tax treatments; or
(b) How the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Company determined, based on its tax compliance, the propability estimate that its tax treatments will be accepted by the taxation authorities.

Deferred Tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Nor clear

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

(m). Earnings Per Equity Share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the period in respect of dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(n). Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Assets retirement obligation (ARO)

The Group records a provision for assets retirement obligation towards store/ shop restoration activity. Assets retirement obligation are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill ARO and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(o). Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(p). Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under Short Term Borrowings in the Balance Sheet but netted off against cash and cash equivalent in Cash Flow Statement.

(q). Dividend Distribution

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Holding Company’s Board of Directors.

(r). Research and Development

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss.

Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product’s technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Expenditure on development activities in relation to formulations is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

(s). 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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy classifies the inputs used to measure fair value into three levels, which are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Unobservable inputs for the asset or liability.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(t). Derivative financial instruments

The Group uses derivative financial instruments such as cross currency swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financials instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(u). Borrowing Costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS-23 – “Borrowing Costs” are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

(v). Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the standalone balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

i) Represents a separate major line of business or geographical area of operations, or

ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, Or

iii) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

(w). Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

MCA issued a notification dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

On 18 June 2021, the Ministry of Corporate Affairs (MCA) has also notified new Company (Indian Accounting Standards) Amendment Rules, 2021 and carried out amendments to the following accounting standards

a. Ind AS 116 Leases – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize covid 19 related rent concessions as income rather than as lease modification) from 30 June 2021 to 30 June 2022.

b. Ind AS 109 Financial Instruments – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortised cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

c. Ind AS 101 Presentation of Financial Statements– The amendment substitutes the item (d) mentioned in paragraph BI as 'Classification and measurement of financial instruments. The term 'financial asset' has been replaced with 'financial instruments.

d. Ind AS 102 Share Based Payment - The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1 April 2021.

e. Ind AS 103 Business Combinations –The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the Framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

f. Ind AS 104 Insurance Contracts–The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.

g. Ind AS 105 Non-current assets held for sale and discontinued operations –The amendment substitutes the definition of —'fair value less costs to sell' with 'fair value less costs of disposal' shall be substituted

h. Ind AS 106 Exploration for and evaluation of mineral resources – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.

i. Ind AS 107 Financial Instruments: Recognition, Presentation and Disclosure – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like (i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform, (ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

j. Ind AS 111 Joint Arrangements – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.

k. Ind AS 114 Regulatory Deferral Accounts – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment and derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.

l. Ind AS 115 Revenue from Contracts with Customers – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.

m. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting in Ind AS', respective changes have been made in the standard.

n. Ind AS 16 Property, Plant and Equipment –The amendment has been made by substituting the words 'Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use' with 'Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use'.

o. Ind AS 34 Interim Financial Reporting –The amendments to this standard are made in reference to the conceptual Framework of Financial Reporting in Ind AS.

p. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets–The amendment substitutes the definition of term 'Liability' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

q. Ind AS 38 Intangible Assets - The amendment substitutes the definition of term 'Asset' as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

Application of above standards are not expected to have any significant impact on the Group's consolidated financial statements. However, the Group has adopted the changes to Ind AS 116 as above for the year ended 31st March 2021 as notified.

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

3A. Property, Plant And Equipment and Capital Work In Progress

a. Reconciliation of carrying amount

(Amount in INR Lakhs)

	Freehold land	Leasehold land	Building#	Leasehold improvements*	Furniture and fixtures	Display Equipment	Office equipment	Plant and Equipments	Vehicles	Networks and Servers	Computers	Total Tangible Assets	Total Capital work-in-progress
Gross carrying value													
As at April 01, 2019	1,596	764	4,369	367	348	49	150	5,222	20	1	229	**13,115**	319
Add: Additions made during the year	12	-	23	226	225	22	45	685	-	-	147	1,385	612
Add/Less: Reclassified on account of adoption of Ind AS 116 “Leases”	-	(764)	-	-	-	-	-	-	-	-	-	(764)	-
Add: Foreign Currency Translation Reserve	-	-	-	3	7	3	6	-	-	-	6	25	-
Less: Reclassification to assets as held for sale *	-	-	-	(39)	(16)	-	-	(26)	-	(1)	(3)	(85)	-
Less: Disposals /adjustments during the year	-	-	(159)	(3)	(15)	(16)	(19)	-	-	-	(44)	(256)	(879)
As at March 31, 2020	**1,608**	**-**	**4,233**	**554**	**549**	**59**	**182**	**5,881**	**20**	**-**	**335**	**13,421**	**52**
Add: Additions made during the year	2	-	27	148	80	-	7	154	0	-	60	**478**	10
Add: Acquisition on Business Combination	-	-	-	-	-	-	0	-	-	-	0	**-**	-
Add: Foreign Currency Translation Reserve	-	-	-	-	(1)	(1)	(1)	-	-	-	(2)	**(5)**	-
Less: Disposals / adjustments during the year	-	-	-	(44)	(79)	-	(34)	(99)	-	-	(5)	**(261)**	(62)
As at March 31, 2021	**1,610**	**-**	**4,260**	**658**	**549**	**58**	**154**	**5,936**	**20**	**-**	**388**	**13,633**	**-**
Accumulated depreciation and impairment losses													
As at April 01, 2019	-	22	79	82	108	31	72	468	18	-	158	**1,037**	-
Add/Less: Reclassified on account of adoption of Ind AS 116 “Leases”	-	(22)	-	-	-	-	-	-	-	-	-	**(22)**	
Add: Depreciation charge for the year	-	-	140	132	47	6	27	639	2	1	57	**1,051**	-
Add: Foreign Currency Translation Reserve	-	-	-	2	5	2	4	-	-	-	3	**17**	-
Less: Reclassification to assets as held for sale	-	-	-	(6)	(2)	-	-	(4)	-	(1)	(1)	**-14**	
Less: On disposals / adjustments during the year	-	-	-	(2)	(15)	(16)	(19)	-	-	-	(42)	**(94)**	-
As at March 31, 2020	**-**	**-**	**219**	**208**	**143**	**23**	**84**	**1,103**	**20**	**-**	**175**	**1,975**	**-**
Add: Depreciation charge for the year	-	-	140	189	56	10	31	662	-	0	70	**1,158**	-
Add: Foreign Currency Translation Reserve	-	-	-	-	(1)	(1)	(1)	-	-	-	(1)	**(4)**	-
Less: On disposals / adjustments during the year	-	-	-	(31)	(70)	-	(29)	(7)	-	-	(2)	**(139)**	-
As at March 31, 2021	**-**	**-**	**359**	**366**	**128**	**32**	**85**	**1,758**	**20**	**-**	**242**	**2,990**	**-**
Net carrying value													
As at March 31, 2021	**1,610**	**-**	**3,901**	**292**	**421**	**26**	**69**	**4,178**	**0**	**-**	**146**	**10,643**	**-**
As at March 31, 2020	**1,608**	**-**	**4,014**	**346**	**406**	**36**	**98**	**4,778**	**0**	**-**	**160**	**11,446**	**52**

Notes

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Notes

1. Capital work in progress **(Amount in INR Lakhs)**

Particulars	As on 01-04-2019	Additions During the year	Capitalised during the year	As on 31-03-2020	Additions During the year	Capitalised during the year	As on 31-03-2021
Building Under Construction	6	18	12	12	-	11	1
Plant & Machinery under erection	279	309	560	28	6	34	-
Furniture & Fixtures	-	65	65	-	-	-	-
Incidental Expenses Pending Capitalisation							-
-Salaries and Wages	(15)	71	70	(14)	-	4	(18)
-Contribution to Provident & Other funds	2	1	-	3	-	-	3
- Employees Stock Compensation Expenses	15	-	-	15	-	-	15
-Interest Expense(net of income)	-	28	26	2	-	2	-
-Travelling & Coneyance	1	3	5	(1)	-	-	(1)
-Depreciation	-	23	21	2	-	2	-
-Legal & Professional	24	54	76	3	4	6	1
-(Gain) / Loss on Exchange Fluctuation	(1)	-	(1)	-	-	-	-
-Others	8	39	45	2	-	3	(1)
Total	**319**	**611**	**879**	**52**	**10**	**62**	**-**

2. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment as per the details given below:

(Amount in Lakhs)

As at April 01, 2016	Freehold land	Building	Leasehold improvements	Furniture and fixtures	Display Equipment	Office equipment	Plant and Equipments	Vehicles	Computers	Total Tangible Assets
Gross carrying value	1,592	132	-	101	-	44	927	23	116	2,935
Less: Accumulated Depreciation	-	40	-	50	-	31	412	15	92	640
Net carrying value	**1,592**	**92**	**-**	**51**	**-**	**13**	**515**	**8**	**24**	**2,295**

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

3B. Intangible assets

a. Reconciliation of carrying amount

(Amount in INR Lakhs)

	Computer Software	Product Formulations	Website Design	Trademarks	Goodwill on consolidation	Total Intangible Assets (Including Goodwill)	Total Intangible Assets under Develpoment
Gross carrying value							
As at April 01, 2019	401	121	100	1,254	5,419	7,295	49
Add: Additions made during the year	8	-	42	-	-	50	20
Add: Foreign Currency Translation Reserve	4	-	9	95	385	493	(1)
Less: Reclassification to assets as held for sale	0	-	0	-	-	-	
Less: Disposals /adjustments during the year	(41)	-	(20)	-	(11)	(72)	-
As at March 31, 2020	**372**	**121**	**131**	**1,349**	**5,793**	**7,766**	**68**
Add: Additions made during the year	41	-	22	2	-	65	33
Add: Foreign Currency Translation Reserve	(1)	-	(3)	(27)	(110)	(141)	0
Less: Reclassification to assets as held for sale	0	-	-	-	-	0	-
Less: Disposals / adjustments during the year	-	-	-	-	-	-	(19)
As at March 31, 2021	**412**	**121**	**150**	**1,324**	**5,683**	**7,690**	**82**
Accumulated depreciation and impairment losses							
As at April 01, 2019	147	-	28	148	-	323	-
Add: Amortisation / Impairement charge for the year	65	-	27	125	-	217	-
Add: Foreign Currency Translation Reserve	3	-	3	18	-	24	-
Less: Reclassification to assets as held for sale	0	-	0	0	-	-	-
Less: On disposals / adjustments during the year	(41)	-	(20)	-	-	(61)	-
As at March 31, 2020	**174**	**-**	**38**	**291**	**-**	**503**	**-**
Add: Amortisation / Impairement charge for the year	70	-	52	130	-	252	-
Add: Foreign Currency Translation Reserve	(1)	-	(1)	(6)	-	(8)	-
Less: Reclassification to assets as held for sale	0	-	-	-	-	0	
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2021	**243**	**-**	**89**	**415**	**-**	**747**	**-**
Net carrying value							
As at March 31, 2021	**169**	**121**	**61**	**909**	**5,683**	**6,943**	**82**
As at March 31, 2020	**198**	**121**	**93**	**1,058**	**5,793**	**7,263**	**68**

Notes

(Amount in INR Lakhs)

1. Goodwill on consolidation includes foreign currency translation reserve and represents :	31st March 2021	31st March 2020
- on acquisition of 100% shares of Organic Indi a USA LLC.	3,298	3,359
- on acquisition of 50.01% shares of Clean Program Corp. by Organic Indi a USA LLC.	2,385	2,434
- on acquisition of 84.21% shares of Godwar Farmers Collective Private Limited	-	11
- Deletion on the disposal of Godwar Farmers Collective Private Limited	-	(11)
	5,683	5,793

2. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Intangible Assets as per the details given below:

As at April 01, 2016	Computer Software	Website Design	Trademarks	Goodwill on consolidation	Total Tangible Assets
Gross carrying value	88	18	37	3,012	3,155
Less: Accumulated Depreciation	62	18	33	-	113
Net carrying value	**26**	**-**	**4**	**3,012**	**3,042**

Note 3C - RIGHT OF USE ASSETS

(Amount in INR Lakhs)

	Leasehold Land	Leasehold Premises	Total Right Of Use Assets
Gross Carrying Value			
As at April 01, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 "Leases"	742	-	742
Add: Additions on account of transition to Ind AS 116 "Leases	-	1,805	1,805
Add: Additions made during the year	-	1,522	1,522
Add: Foreign Currency Translation Reserve	-	67	67
Less: Reclassification to assets as held for sale	-	(86)	(86)
Less: Disposals /Adjustments during the year	-	(3)	(3)
As at March 31, 2020	742	3,305	4,047
Add: Additions made during the year	18	720	738
Add: Foreign Currency Translation Reserve	-	(12)	(12)
Less: Disposals / Adjustments during the year	-	(1,064)	(1,064)
As at March 31, 2021	760	2,949	3,709
Accumulated Depreciation			
As at April 01, 2019	-	-	-
Add: Depreciation charge for the year	8	798	806
Add: Foreign Currency Translation Reserve	-	20	20
Less: Reclassification to assets as held for sale	-	(15)	(15)
Less: On Disposals / Adjustments during the year	-	-	-
As at March 31, 2020	**8**	**803**	**811**
Add: Depreciation charge for the year	8	776	784
Add: Foreign Currency Translation Reserve	-	(3)	(3)
Less: On Disposals / Adjustments during the year	-	(681)	(681)
As at March 31, 2021	**16**	**895**	**911**
Net Carrying Value			
As at March 31, 2021	**744**	**2,054**	**2,798**
As at March 31, 2020	**734**	**2,502**	**3,236**

Notes:

1. Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation. Hence the Holding Company has depreciated its leasehold land over the period of 90 years retrospectively. There is no future obligation/lease payment to be made in relation to finance lease mentioned above. Accordingly, there is no reconciliation between future minimum lease payments and their present value as on 31st March 2021.

2. Leasehold Premises represent properties taken on lease for its offices, retail outlets and warehouses accounted for in accordance with principles of Ind AS 116 'Leases'.

3. Ind AS 116 Leases:
(i) The Group's lease asset primarily consist of leases for land and buildings for retail outlets, offices and warehouses having the different lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured Right of Use Assets at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments. This has resulted in recognising Right of Use Assets and lease liability of 1,805 lakhs/- as on transition date i.e 1st April 2019.

(ii) The following is the summary of practical expedients elected on initial application:
(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.
(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and for leases with variable rentals.
(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standard only to contracts that were previously identified as leases under Ind AS 17.
(e) Applied the practical expedient by not considering rent concessions occuring as a direct consequence of the Covid-19 pandemic that meets the conditions in paragraph 46B of Ind AS - 116 as lease modifications. The amount of INR 144 Lakhs (Previous Year: NIL) has been recognised in the Statement of Profit and Loss to reflect the change is lease payments for the reporting period that arise for the said rent concessions.
(f) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

(iii) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended 31st March, 2020:

	31st March 2021	31st March 2020
Opening Balance	2,577	-
Transition impact on account of adoption of Ind AS 116 "Leases"	-	1,769
Additions during the year	652	1,487
Finance cost accrued during the year	164	187
Deletions during the year	(401)	-
Foreign Currency Translation Reserve	(8)	(47)
Reversal of lease liabilities (on account of rent concessions due to COVID-19)	(144)	-
Payment of lease liabilities	(718)	839
Less: Reclassified on Liabilities held for sale	-	74
Closing Balance	**2,122**	**2,577**

Note 3C - RIGHT OF USE ASSETS

(iv) The adoption of the new standard has also resulted in the following impact on the profit and the cash flows of the Group for the previous year ended 31st March 2020

Particulars	Continuing Operations	Discontinued Operations	Total
	(Amount in INR)	(Amount in INR)	(Amount in INR)
Impact on the Profit before tax			
Increase in depreciation	747	15	762
Increase in finance cost	152	6	158
Decrease in Other Expenses	822	17	839
Net Decrease in Profit before Tax	**77**	**4**	**81**
Impact on Cash Flows on account of Lease Payments			
Increase in Cash inflows from Operating Activities	822	17	839
Increase in Cash ouflows from Financing Activities	822	17	839
Impact on Deferred Tax			
Decrease in Deferred Tax Liability	21	0	21
Decrease in Deferred Tax Expense	21	0	21

The effect of this adoption has an insignificant effect on earnings per share of the Group.

(v) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 8.0% p.a.

(vi) Rental expense recorded for short-term leases the financial year ended 31st March 2021 was INR 858 lakhs (31st March 2020: INR 1,032 lakhs) for continuing operations and INR Nil (31st March 2020: INR 20 lakhs) for discontinued operations. (refer note 36)

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
4 NON CURRENT INVESTMENTS		
Investments measured at Cost		
Investment in Equity Instruments (Fully paid up)		
Investment in Associate Companies		
2,328 (Previous Year 2,328/-) Equity shares of Rs 10 each fully paid up of Nutriwel Health (India) Private Limited	14	14
Investments measured at cost	**14**	**14**
Add: Share of Accumulated Profit/(Loss) of Associate Companies	(15)	(15)
Add: Share of Other Comprehensive Income of Associate Companies	1	1
Total Investments measured at cost	**-**	**-**
Investment in Debentures		
Unsecured		
Investment in Associate Companies		
9% 11,908,623 (Previous Year 11,908,623) Optional Convertible Debentures of Rs 10 each of Nutriwel Health (India) Private Limited	2,354	2,189
Add: Share of Accumulated Profit/(Loss) of Associate Companies	(78)	(36)
Add: Share of Other Comprehensive Income of Associate Companies	0	0
Total Investments measured at Fair Value through Profit & Loss	**2,276**	**2,153**
Investment in Others		
5,687,538 (Previous Year - NIL) Optionally Convertible Debentures of Rs 10 each of Composite Interceptive Med-Science Laboratories Private Limited	439	0
Total Investments measured at Amortised Cost	**439**	**-**
Total Non Current Investments	**2,715**	**2,153**
Less: Investment Classified as Asset Held for Sale (Refer Note 48)	-	-
Less: Provision for impairment in the value of investments	(439)	-
Total Non-Current Investments	**2,276**	**2,153**
Aggregate amount of unquoted investments	2,715	2,153
Aggregate amount of impairment in the value of investments	439	-

	AS AT 31ST MARCH 2021 *(Amount in Lakhs)*	AS AT 31ST MARCH 2020 *(Amount in Lakhs)*
Category-wise Non-Current Invetsment		
Financial assets carried at amortised cost	439	-
Financial assets measued at cost	-	-
Financial assets measured at fair value through other comprenhive income	-	-
Financial assets measured at fair value through profit or loss	2,276	2,153
Total Non-Current Investment	**2,715**	**2,153**

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
5 NON-CURRENT LOANS*		
Unsecured, considered good		
Security Deposits	187	315
Advance to employees	337	-
Other Loans	-	10
	524	**325**
***Break up**		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	524	325
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**524**	**325**
Less: Allowance for doubtful Loans	-	-
Total Loans	**524**	**325**
6 OTHER NON CURRENT FINANCIAL ASSETS		
Deposits with original maturity more than 12 months*	21	17
Interest accrued on loans and deposits	-	9
Forwards Contracts/Options Recoverable	22	67
	43	**93**
* under lien against bank guarantees and forward contracts with banks	21	21
7 NON CURRENT INCOME TAX ASSETS		
Opening balance of Advance Tax (Net)	706	571
Less: Current tax payable for the year	(395)	(221)
Add: Taxes paid	1,044	355
Less: Tax provision for earlier years	(15)	-
Closing balance of Advance Tax (Net)	1,340	705
Advance Income Tax (net of provision of income tax)	1,340	705
Total Non current income tax assets	**1,340**	**705**
8 DEFERRED TAX ASSETS/(LIABILITIES)		
The balance comprises temporary differences attributable to:		
Stock Reserve on inter group company sales	364	439
Depreciation and Amortization	(1,071)	(1,135)
Lease Liabilities	562	549
Bonus and Exgratia Payable	38	30
Provision for retirement benefits	27	25
Provision for Leave Encashment	41	39
Other Disallowances under section 43B of IT Act	2	3
Provision for Doubtful Receivables and Advances	133	107
Provision for Non Moving Inventory	-	12
Discounting of Security Deposits	12	12
Fair Value change in Investments	(217)	(202)
Asset retirement obligation	8	7
Reclass of deferred tax asset on gratuity*	(2)	3
Fair Value change in Derivative Instruments	30	95
Carry Forward Losses	45	10
Exchange Difference on translation of Foreign Operations*	(182)	(96)
Other timing differences	65	59
Total deferred tax assets/ (liabilities)	**(145)**	**(43)**
Less: Assets classified as Held for sale and discontinued operations	-	(4)
Less: Asset disposed on sale of subsidiary	(4)	(5)
Total deferred tax assets/(liabilities) associated with continuing operations	**(149)**	**(52)**

*Impact has been taken to other comprehensive income.

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
9 OTHER NON CURRENT ASSETS		
Unsecured, Considered Good		
Advance for capital goods	38	75
Prepaid expenses		
- Prepaid Lease Rentals	-	59
- Prepaid Employee Share Purchase Compensation	414	-
Others	12	2
	464	**136**

	AS AT 31 MARCH 2021	AS AT 31 MARCH 2020
10 INVENTORIES		
Raw Materials	765	1,507
Packing Material	860	805
Work in Progress	1,341	789
Finished Goods		
- Manufactured*	2,024	3,801
- Traded*	1,444	742
Consumables & Promotional Items	110	189
Goods in Transit- Finished Goods	813	176
Goods in Transit- Raw Material & Packaging	-	121
	7,357	**8,130**
Less: Provision for Non Moving Inventory	(7)	(176)
Total inventories	**7,350**	**7,954**

- As per inventory taken,valued and certified by the Management

* During the previous year, the Holding Company had shifted to contract manufacturing from trading of certain finished goods (Refer Note 1) and all the finished goods inventory as on 31st March 2020 were grouped as finished goods manufactured as it was not practically feasible to bifurcate any old finished goods traded, if any, lying unsold as on 31st March 2020.The Finished Goods traded represents inventories lying with Organic India USA LLC and its subsidiary.

	AS AT 31 MARCH 2021	AS AT 31 MARCH 2020
11 TRADE RECEIVABLES		
Trade Receivables considered good - Secured		
Trade Receivables considered good - Unsecured	6,228	8,518
Trade Receivables which have significant increase in credit risk	525	428
Trade Receivables - credit impaired	-	107
	6,753	**9,053**
Less: Allowance for expected credit loss	(525)	(535)
	6,228	**8,518**
Due from Related Parties		
- M/s Fabindia Overseas Private Limited (Holding)	343	518
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited (Entity controlled by directors)	21	1
- M/s LEV True Wellness Private Limited	0	-
- M/s Organic India Farmers Producer	0	-
- M/s Organic India Foundation	0	-
- Nutriwel Health India Private Limited (Associate)	77	76
Total trade receivables from related parties	**441**	**595**
Less: Allowance for expected credit loss	-	-
Net Trade Receivables from Related Parties	**441**	**595**

Note: The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Group's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for an expected credit loss of INR 525 Lakhs (2020: INR 535 Lakhs) has been recorded.

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
12 CASH AND CASH EQUIVALENTS		
Balances with banks		
-In Current Accounts	1,795	3,206
Deposits with maturity of less than three months*	-	3
Cheque in hand	1	-
Cash on hand	2	4
	1,798	**3,213**
* under lien against bank guarantees and forward contracts with banks	-	3
13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Deposits with original maturity of more than three months but less than twelve months*	231	217
	231	**217**
* under lien against bank guarantees, Letter of credits and forward contracts with banks	231	217
14 CURRENT FINANCIAL ASSETS - LOANS*		
Unsecured, considered good		
Security Deposits	70	-
Advances to Employees		
- Considered Good	128	82
- Considered Doubtful	-	2
Advance to Related Parties*	40	40
Other Loans	50	-
	288	**124**
Less: Allowance for expected credit loss	-	(2)
	288	**122**
*Due from Key Management Personnel		
- Dr. Alejandro Junger	40	40
***Break up**		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	288	122
Loans which have significant increase in credit risk	-	2
Loans - credit impaired	-	-
Total	**288**	**124**
Less: Allowance for expected credit loss	-	(2)
Total Loans	**288**	**122**
15 CURRENT FINANCIAL ASSETS - OTHERS		
Forwards Contracts/Options Recoverable	63	20
	63	**20**

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
16 OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Prepaid expenses		
- Prepaid Lease Rentals	-	38
- Prepaid Employee Share Purchase Compensation	275	-
- Other Prepaid Expenses	303	254
Advance to supplier		
- Considered Good	440	261
- Considered Doubtful	21	-
Advances recoverable in cash or kind	91	68
Advance Statutory Dues		
Goods and Service Tax Input Credit Recoverable	2,522	1,947
Recoverable from Government Authorities	256	256
Grant Receivable		
- Duty Drawback Receivable	22	32
- MEIS Scrips Receivable	299	192
	4,230	**3,048**
Less: Allowance for Doubtful Advances	(21)	-
	4,209	**3,048**

17 EQUITY SHARE CAPITAL	**AS AT 31ST MARCH 2021**		**AS AT 31ST MARCH 2020**	
	No of Shares	**(Amount in INR Lakhs)**	**No of Shares**	**(Amount in INR Lakhs)**
AUTHORISED SHARE CAPITAL				
Equity Shares of Rs 10/- each	89,400,000	8,940	89,400,000	8,940
	89,400,000	**8,940**	**89,400,000**	**8,940**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of Rs.10/- each fully paid up*	82,660,947	8,266	80,191,300	8,019
	82,660,947	**8,266**	**80,191,300**	**8,019**

* Net of 41,550 equity shares held as treasury shares by Organic India Employees Welfare Trust (acting as an agent of the Company) for issuance to employees of the Company under Organic India Private Limited Employee Share Purchase Scheme 2021(Refer Note 2 (e)(iii) & Note 46)

a). Terms/rights attached to Equity Shares

The Holding Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of equity shares is entitled to dividends as and when the Holding Company declares and pays dividend after obtaining shareholders approval. The Holding Company declares and pays dividend in Indian Rupees.

The Board has not proposed any dividend\ for the financial year ended 31st March 2021 and 31st March 2020 .

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

b). Shares held by holding / Ultimate holding and/or their subsidiaries/ associates

Out of the equity shares issued by the Company, shares held by holding / Ultimate holding Company are as below:

(Amount in INR Lakhs)

Equity Shares	**AS AT 31ST MARCH 2021**		**AS AT 31ST MARCH 2020**	
	No of Shares	**Amount**	**No of Shares**	**Amount**
Fabindia Overseas Private Limited (Equity shares of Rs. 10/- each)	42,503,469	4,250	42,503,469	4,250

c). The details of shareholders holding more than 5% shares as at 31 March 2021 and 31 March 2020 is set out below:

Name of shareholder	**AS AT 31ST MARCH 2021**		**AS AT 31ST MARCH 2020**	
	No of Shares	**% of shareholding**	**No of Shares**	**% of shareholding**
Equity Shares of Rs. 10/- each fully paid up				
OI (India) Holdings, LLC	36,654,900	44.32%	36,654,900	45.71%
Fabindia Overseas Private Limited	42,503,469	51.39%	42,503,469	53.00%

d). The reconciliation of the number of shares outstanding as at 31 March 2021 and 31 March 2020 is set out below:

(Amount in INR Lakhs)

Particulars	**AS AT 31ST MARCH 2021**		**AS AT 31ST MARCH 2020**	
	No of Shares	**Amount**	**No of Shares**	**Amount**
Equity Shares of Rs. 10/- each fully paid up				
Number of shares in the beginning	80,191,300	8,019	79,917,633	7,992
Add: Shares issued on exercise of Employee Stock Options*	-	-	273,667	27
Add: Shares issued under Employee Share Purchase Scheme**	2,511,197	251	-	-
Less: Treasury Shares Held by Organic India Employees Welfare Trust**	(41,550)	(4)	-	-
Number of shares at the end	**82,660,947**	**8,266**	**80,191,300**	**8,019**

*During the year, the Holding Company has allotted Nil (Previus Year: 273,667) equity shares to the eligible employees against Nil (Previous Year: 273,667) share options granted under Employee Stock Option Plan.

**During the year the Company has allotted 25,11,197 Equity shares having face value of Rs. 10/- each at a premium of Rs. 28/- per equity share aggregating to Rs. 954 lakhs fully paid up to employees through Organic India Employees Welfare Trust pursuant to the Organic India Private Limited Employee Share Purchase Scheme 2021. Out of the said allotted equity shares, 41,550 equity shares held by Organic India Employees Welfare Trust as on 31st March 2021 for issuance to employees of the Holding Company under Organic India Private Limited Employee Share Purchase Scheme 2021 have been treated as treasury shares and reduced from the equity. (Refer Note 46)

d). Shares reserved for issue under Employee Stock Options

Refer Note No. 45 in respect of details of shares reserved for issue under ESOP.

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
18 OTHER EQUITY		
Summary of Other Equity Balance		
Attributable to Owners		
Reserves & Surplus		
General Reserve	166	166
Securities Premium	2,508	1,817
Stock Option Outstanding Account	262	-
Retained Earnings	10,706	10,557
Other Comprehensive Income		
Foreign Currency Translation Reserve	594	317
Remeasurements of the net defined benefit Plans (Net of tax)	5	(9)
	14,242	12,848
Non Controlling Interest	2,125	2,173
	16,367	**15,021**

Nature and purpose of each reserves

a) General reserve
This reserve represents appropriation of Profits after dividend from Surplus in Statement of Profit and Loss at each year end. The same can be utilized by the Group in accordance with the provisions of the Companies Act, 2013.

b) Securities premium
The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

c) Stock Option Outstanding Account
This reserve relates to Stock Options Granted by the Holding Company and the Subsdiary Company to its employees under their stock option schemes. This reserve is transferred to Securities Premium Reserve and Retained Earnings on exercise or cancellation of the vested options.

d) Retained Earning
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Foreign Currency Translation Reserve
Exchange differences arising on translation of assets, liabilities, incomes and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

f) Remeasurements of the Net Defined Benefit Plans
Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in Other Comprehensive Income.

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
19 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS		
Term Loan		
Secured		
- Citi Bank NA*	2,360	4,015
- Standard Chartered Bank *	824	1,294
Unsecured		
Loans from Related Parties		
OI (US) Holdings LLC*	1,245	1,457
	4,429	**6,766**
Less: Current Maturity of Long Term Debt	(2,044)	(2,149)
	2,385	4,617

* Details of Term Loans are as follows:

Particulars	Purpose and Terms of Repayment	Securities Provided	Rate Of Interest	Upto 1 year	1-5 years
CITI Bank	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018 (b) Repayable in 16 equal quarterly installments of USD 5,37,109 each commencing from November 2018 and ending August 2022.	(a) First Pari passu charge on entire movable fixed assets of the Company (Present and future) (b) First Pari passu charge on entire immovable fixed assets of the Company (Present and future)	2.9% p.a. including hedging of Libor.	1,573	787
Standard Chartered Bank	(a) Purpose: For financing the capital expenditure for new factory at UPSIDC during FY 2017-2018 (b) Repayable in 17 equal quarterly installments of ₹ 1,17,64,706 each commencing from October 2018 and ending January 2022.	(a) first pari passu charge by way of equitable mortgage over factory land & building situated at Agro Park, UPSIDC Near Kursi Road Barabanki. (b) over entire movable fixed assets of Company along with those created at new plant. (c) first pari passu charge by way of equitable mortgage over land and building at Plot no 266, Faizabad road, Kamta, Post Chinhat, Lucknow - 227105	The loan carry interest rate of 6.1% per annum. The Company has further entered in to a cross currency swap agreement with the bank and converted its loan to a equivalent foreign currency loan with interest rate @ 2.9% on the outstanding foreign currency amount.	471	353
OI (US) Holdings LLC	Repayable at the end of five years from the date on which loan was taken i.e. 27th March 2015 which have been further extended by five years in March 2020	No charge has been created on the assets of the Group.	The loan carry interest rate of 4% per annum payable quarterly.	-	1,245

		AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
20	**NON-CURRENT OTHER FINANCIAL LIABILITIES**		
	Security Deposits Received	366	223
	Lease Liability	1,641	1,845
	Forwards Contracts/Options and Swap Payables	84	138
		2,091	**2,206**
21	**OTHER NON CURRENT LIABILITIES**		
	Deferred Interest - Non Current	-	3
		-	**3**
22	**NON-CURRENT PROVISIONS**		
	Provision for Employee Benefits		
	- Gratuity	97	111
	- Leave Encashment	142	137
	Provision for Asset Retirement Obligations	28	27
		267	**275**

(i) Information about individual provisions and significant estimates

a) Provision for asset retirement obligation- A provision has been recognised for Asset retirement obligation costs associated with the stores taken on operating lease by the Company. The Company is committed to return the stores in as is position at the expiry of those leases. The Company has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

Provision for Asset Retirement Obligations

Balance at the beginning	27	5
Provision during the year	1	24
Amounts utilized / written back during the year	0	1
Amounts reclassified as Liabilities directly related with discontinued operations	-	(1)
Balance at the end	**28**	**27**

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
23 CURRENT FINANCIAL LIABILITIES -BORROWINGS		
Secured		
-Axis Bank*		
- Working Capital Demand Loan (WCDL)	2,000	2,970
-Citi Bank**		
- Packing Credit Foreign Currency (PCFC)	250	523
- Packing Credit	-	224
- Working Capital Demand Loan (WCDL)	1,721	846
-Cash Credit#	1,428	1,271
-Standard Chartered Bank***		
-Bank Overdraft	776	747
- HDFC Bank****		
- Working Capital Demand Loan (WCDL)	1,288	1,434
	7,463	**8,015**

* The Holding Company had been sanctioned secured cash credit, working capital demand loan and Export credit Limits (pre shipment and post shipment) from Axis Bank Ltd amounting to INR 3,000 lakhs for financing the short term working capital requirements.
The said facilities are secured by first pari-passu charge on present and future current assets of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company. The interest rate for the said facilities is as below
a. Pre shipment credit - 3 Month MCLR + 0.25% p.a.
b. Post shipment credit - 3 Month MCLR + 0.25% p.a.
c. WCDL - 3 Month MCLR + 0.05% p.a
d. Cash Credit - 3 Month MCLR + 0.85% p.a
The Holding Company has been regular in payment of principal and interest as stipulated.

** The Holding Company has been sanctioned secured Cash Credit, working capital demand loan and Packing Credit facilities from Citibank N.A. for financing short term working capital requirements amounting to INR 2,000 lakhs. The said facilities are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company. The interest rate for the said facilities is as below:
a. Packing credit - Libor + 90bps
b. WCDL - 313 bps per annum
The Holding Company has been regular in payment of principal and interest as stipulated.

The Subsidiary Company, Organic India USA LLC, has been sanctioned secured Line of Credit from CitiBank N.A. for financing short term working capital requirements amounting to USD 30,00,000. The said credit carrires an interest rate of 2% above the base rate as defined in the agreement (effective rate of 3% as on March 31, 2021 and of 2.41% as on March 31, 2020) payable quarterly and is secured against the inventory of the said Subsidiary Company.

*** The Holding Company has been sanctioned secured cash credit, bank overdraft, working capital loan and export credit limits amounting to INR 500 lakhs from Standard Chartered Bank which was further increased to 1,000 lakhs during the previous year for financing short term working capital requirements. The said facilities carry interest rate based on 1-6 Month MCLR as on the date of availment of the facility and are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company.
The Holding Company has been regular in payment of principal and interest as stipulated.

**** The Holding Company has been sanctioned secured cash credit, working capital demand loan and export credit limits from HDFC Bank Limited to INR 1,500 lakhs during the previous year for financing short term working capital requirements. The said facilities carries interest rate between 7.30% to 8.00% p.a. and are secured against first pari-passu charge on current assets present and future of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company.
The Holding Company has been regular in payment of principal and interest as stipulated.

24 TRADE PAYABLES		
For Goods and Services		
- Due of micro enterprises and small enterprises (Refer Note 51)	424	324
- Due of creditors other than micro enterprises and small enterprises	3,249	4,502
	3,673	**4,826**

25 CURRENT FINANCIAL LIABILITIES - OTHERS		
Current Maturity of Long Term Debt	2,044	2,149
Interest accrued but not due on borrowings	35	31
Payable for capital goods	110	444
Security Deposits Received	501	524
Forwards Contracts/Options and Swap Payables	119	310
Lease Liabilities	481	732
Employee Related Payable	473	171
	3,763	**4,361**

	AS AT 31 MARCH 2021 (Amount in INR Lakhs)	AS AT 31 MARCH 2020 (Amount in INR Lakhs)
26 OTHER CURRENT LIABILITIES		
Advance from Customers	77	424
Statutory Dues	149	220
Refund Liabilities*	174	155
Deferred Interest - Current	-	4
Other Expenses Payable	436	400
Total other current liabilities	**836**	**1,202**
* Movement of Refund Liabilities		
Amount as at the beginning of the year	155	81
Add: Additions during the Year	174	155
Less: Utilised during the year	155	81
Closing Balance	**174**	**155**
27 CURRENT PROVISIONS		
Provision for Employee Benefits		
- Leave Encashment	20	16
Provision for Asset Retirement Obligations	2	1
	22	**17**

a) Provision for asset retirement obligation- A provision has been recognised for asset retirement obligation costs associated with the stores taken on operating lease by the Company. The Company is committed to return the stores in as is position at the expiry of those leases. The Company has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

(i) Movement in Provisions during the year

	2021	2020
Provision for Asset Retirement Obligations		
Balance at the beginning	1	1
Provision during the year	1	1
Amounts utilized / written back during the year	0	1
Balance at the end	**2**	**1**

	FOR THE YEAR ENDED 31 MARCH 2021 (AMOUNT IN INR LAKHS)	FOR THE YEAR ENDED 31 MARCH 2020 (AMOUNT IN INR LAKHS)
28 Revenue from operations		
Sale of Products (including excise duty)		
- Domestic	35,973	31,371
- Exports	2,716	2,893
	38,689	34,264
Other Operating Revenue		
Government Grants*		
- Duty Drawback Received / Export Incentives / MEIS Scrips Received	354	221
- Paycheck Protection Program Forgiveness	434	-
	39,477	**34,485**
*Refer note 38 for disclosure on government grants.		
Details of Products Sold		
- Herbal Infusions	16,001	11,175
- Ayurvedic Medicines(Formulations)	10,446	11,748
- Psyllium	2,552	1,740
- Dehydrated Fruits & Vegtables	122	922
- Body Care	166	296
- Others	9,402	8,383
	38,689	**34,264**
Reconciliation of Revenue with Contracted Price		
Revenue as per contracted price	43,832	37,905
Adjustments		
Discounts and Rebates	4,827	3,355
Rebate for Expiry	316	286
	5,143	3,641
Revenue froom contract with customers	**38,689**	**34,264**
29 Other income		
Interest Income		
Bank Deposits	23	40
Loan	3	-
Debentures	160	107
Rewinding of Interest on Leased deposits measured at amortised cost	14	15
Others	-	20
Credit Balances Written Back	151	13
Net Gain arising on financial assets measured at FVTPL	217	-
Net Gain arising on Cross Currency Swaps measured at FVTPL	54	-
Net Gain arising on financial assets measured at FVTPL	66	749
Foreign Exchange Gain	185	-
Income from Forward Contract	-	12
Income from Royalty	-	2
Gain arising on disposal of Right of Use Assets	21	-
Provision for Sales Tax Forms Written Back	2	-
Provision for Non Moving Inventory Written Back	169	88
Rent Income	-	83
Excess Provision Written back	25	32
Miscellaneous Receipts	18	88
	1,108	**1,250**
30 Cost of materials consumed		
Opening Stock	2,501	3,456
Add: Purchases	9,288	7,366
	11,789	10,822
Less: Closing Stock	1,734	2,501
Total cost of material consumed	**10,055**	**8,321**

	FOR THE YEAR ENDED 31 MARCH 2021	FOR THE YEAR ENDED 31 MARCH 2020
31 (Increase)/Decrease in inventories of Finished Goods, Stock in Trade and Work in Progress		
Opening inventory		
Finished Goods		
- Manufactured	3,801	1,139
- Traded	742	2,252
- Goods in Transit- Finished Goods	165	-
Work in Progress	789	485
	5,497	3,876
Closing inventory		
Finished Goods		
- Manufactured	2,025	3,801
- Traded	1,444	742
- Goods in Transit- Finished Goods	813	165
Work in Progress	1,341	789
	5,623	5,497
Total (Increase)/Decrease in inventories of Finished Goods, Stock in Trade and Work in Progress	**(126)**	**(1,621)**

32 Employee benefits expense		
Salaries and wages	5,870	4,991
Contribution to Provident Fund & Other Funds	280	240
Contribution to Employee State Insurance Scheme	12	16
Employee Stock Options Compensation Expense	265	6
Employee Share Purchase Compensation Expense	2	-
Staff Welfare Expenses	147	182
Total employee benefit expense	**6,576**	**5,435**

33 Finance costs		
Interest Expense		
Term Loan	253	420
Loan Processing Charges	15	19
WCDL / Bank Overdraft	476	404
Others	39	121
Unwinding of Discount on Asset Retirement Obligation	2	2
Unwinding of Discount onFinancial Liabilities measured at amortised cost	1	4
Lease Liability	164	152
Total finance cost	**950**	**1,122**

	FOR THE YEAR ENDED 31 MARCH 2021	FOR THE YEAR ENDED 31 MARCH 2020
34 Other expenses		
Manufacturing Expenses		
Processing Expenses	21	46
Power & Fuel	319	305
Administrative Expenses		
Rent	858	1,032
Repair and maintenance		
- Building	57	55
- Computers, machinery and other equipments	256	171
- Others	182	134
Freight outward	2,089	1,702
Insurance (Net of Recovery)	215	140
Travelling Expenses (includes Conveyance and Vehicle Running)	390	739
Legal and Professional Expenses	1,731	1,477
Auditor's Remuneration (Refer Details Below)	33	24
Debit Balances written off	50	2
Communication Expenses	89	71
Corporate Social Responsibility Expenses	58	98
Bad Debt written off	319	88
Provision for Doubtful debts and advances	8	331
Provision for impairment of Investments	439	-
Obsolete Stock Written off	511	131
Certification Expenses	122	104
Product Liability	73	62
Community Development Expenses	2	7
Rates & Taxes	209	95
Lab Expenses (includes Testing Expenses)	121	88
Printing & Stationery	15	22
Security Charges	73	74
Donation	154	17
Loss of Stock on Fire	-	24
Loss arising on Derivatives measured at FVTPL	-	146
Loss arising on Cross Currency Swaps measured at FVTPL	-	224
Loss on Sale/Discard of Property Plant and Equipment (Net)	27	2
Loss On Sale Of Govt. Incentive Scrips	-	3
Miscellaneous Expenses	251	170
Research and Development Expenses	4	31
Royalty	118	113
Business Support / Management Fee	607	684
Bank Charges	280	157
Selling Expenses		
Samples	754	824
Settlement Claims	229	-
Business Promotion	5,899	6,039
Commission and Brokerage	1,339	1,357
	17,902	**16,789**

*Payments to Auditors		
Audit Fee	14	14
Goods & Services Tax Audit Fee	18	8
Certification Expenses	1	1
Reimbursement of out of pocket expenses	0	1
Total	**33**	**24**

	FOR THE YEAR ENDED 31 MARCH 2021	FOR THE YEAR ENDED 31 MARCH 2020
35 Tax expense		
(a) Tax expense recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	(397)	(211)
Adjustments/(credits) related to previous years (net)	(15)	9
Total (A)	**(412)**	**(202)**
Deferred Tax		
Orignation and reversal of temporary differences(net of valuation allowance)		
Attributable to Continuing Operations	(7)	40
Attributable to Discontinued Operations	-	(157)
Total (B)	**(7)**	**(117)**
Total (A+B)	**(419)**	**(319)**
(b) Movement in Deferred income tax (Liability) / Asset, net		
Stock Reserve on inter group sales	(76)	(126)
Depreciation and Amortization	63	(503)
Lease Liabilities	13	549
Bonus & Exgratia Payable	8	(1)
Provision for retirement benefits	1	9
Provision for Leave Encashment	2	3
Other Disallowances under section 43B of Income Tax Act	0	0
Provision for doubtful receivables and advances	26	55
Provision for Non Moving Inventory	(12)	12
Discounting of Security deposits	0	13
Discounting of Loans	-	61
Fair Value change in Investments	(15)	(168)
Asset Retirement Obligations	1	5
Reclass of deferred tax asset on gratuity*	(5)	5
Exchange Difference on translation of Foreign Operations	(84)	(96)
Fair Value Change in Derivative Intruments	(65)	95
Carried Forward Losses	40	(153)
Others	7	31
	(96)	**(209)**
Less: Impact taken to Other Comprehensive Income	(89)	(91)
Net Deferred Tax Expense/ (Income) recognised in Statement of Profit and Loss	**(7)**	**(118)**

(c) Amounts recognised in Other Comprehensive Income

The tax (charge)/ credit arising on income and expenses recognised in Other Comprehensive Income is as follows:

On items that will not be reclassified to Profit or Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	(5)	5
Exchange Difference on translation of Foreign Operations	(84)	(96)
Total	**(89)**	**(91)**

(d) Reconciliation of effective tax rate
The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit before exceptional items and tax	734	584
Tax using the Company's domestic tax rate (31 March 2021: 25.168% and 31 March 2020: 25.168%)*	185	147
Tax effect of:		
Non-deductible tax expenses		
Effect of tax related to expenses not deductible for income tax	17	(515)
Effect of tax related to previous years	15	(9)
Effect of Tax on Indexation	(31)	(83)
Effect of Tax on Elimination of Stock Reserve	75	127
Effect of Difference in rates	36	1
Effect of tax on loss of the overseas subsidiary on which deferred tax not recognised	15	707
Others	107	(55)
	419	**319**

* Provision for income tax has been computed by considering that the Group opts for payment of income tax as per the provisions of Section 115BAA of the Income Tax Act, 1961.

36 Contingent liabilities and commitments

	As at 31 March 2021 (AMOUNT IN INR LAKHS)	As at 31 March 2020 (AMOUNT IN INR LAKHS)
A Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debt		
- FSSAI Demands not provided for*	30	30
-Income Tax demands under appeals not provided for**	865	877
- Labour law demand under appeals***	24	23
- VAT Demands not provided for#	175	175
- Civil Demands not provided for****	5	5
- Others	-	3

* Demands had been received from Food Safety and Standards Authority of India (FSSAI) by the Holding Company in the previous years against which adverse orders have been received by the Company. However, no provision has been made for demand as the final order has not yet been issued by FSSAI and the Company is hopeful to get the order quashed as the same is time barred.

-Value Added Tax demands under appeals not provided for
i) The Holding Company had filed an application with Commissioner in previous years for clarification of the applicable rates under Value Added Tax Act with respect to certain products, for which the order was received and was challenged by the Holding Company by filing an appeal with the Commercial Tax Tribunal. During the previous year, the said Tribunal has upheld the order as passed by the Commissioner, which has been further challenged by the Holding Company in Honourable High Court. No provision has been made in the books in this regard as the Holding Company is hopeful of getting a favourable order in the said matter. However, if the Holding Company's appeal is not decided in favour of the Holding Company, a liability of INR 175 lakhs (as estimated by the Holding Company) may arise in this regard in addition to interest and penalties as may be applicable.

** - Income Tax demands under appeals not provided for includes certain demand with respect to prior years in addition to the following:

i) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2016-17 amounting to INR 852 lakhs out of which INR 170 lakhs has been deposited with the department during the current year and an appeal against the said order has been filed before the Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

ii) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2017-18 amounting to INR 229 lakhs, out of which INR 46 lakhs has been deposited with the department during the current year and an appeal against the said order has been filed before the Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

c) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2018-19 amounting to INR 15 lakhs which was deposited with the department and an appeal was filed against the said order before Commissioner of Income Tax (Appeal). During the current year, the Holding Company had filed a declaration under Direct Tax Vivad Se Vishwas scheme for the waiver of penalty and interest charged for the said demand thereon. The said declaration has been approved by the department subsequent to the balance sheet date and thus no provision has been made in the books in this regard.

*** Few ex-employees of the Holding Company had filed complaints in Industrial/Labour Court of Lucknow against the Holding Company challenging their termination and no provision has been made for the said demands in the books as the Holding Company has represented to the authorities and is hopeful of getting a favourable order in this regard.

**** A vendor has filed a recovery suit against the Holding Company for non payment of the goods rejected and returned to them and no provision has been made for the demand in the books as the Holding Company has contested the same and is hopeful of getting a favourable order in this regard.

(b) The Holding Company is covered under the provisions of Section 3(2) of the Biodiversity Act, 2002 and had applied for seeking approval for the Prior access and Future access of Biological Resources with National Biodiversity Authority. Accordingly, the Holding Company had suo motto deposited an amount of INR 23 lakhs in the previous year and an amount of INR 30 lakhs in the current year with respective State Biodiversity Board as required under the said Act for the Financial years 2015-16 to the financial year 2017-18 pending the approval from the National Biodiversity Authority. The Holdinng Company has received an approval for the Future access of Biological Resources till 2023-24 vide letter dated 23rd March, 2021. and is hopeful to receive approval for Prior access of Biological Resources shortly. Any liability that may arise in excess of the amount deposited in this regard, shall be provided in the books as and when the said approval/order/ demand is received from the said authority.

(c) The Holding Company has received a notice from the Enforcement Directorate, FEMA Lucknow for investigation under the provisions of Foreign Exchange Management Act,1999 with respect to the Foreign Direct Investments(FDI) received during the Financial Year 2006-07 to Financial Year 2008-09. No liability is likely to arise in this regard as the Holding Company has satisfactorily replied against the said notice received from the said authority.

	As at 31 March 2021 (AMOUNT IN INR LAKHS)	As at 31 March 2020 (AMOUNT IN INR LAKHS)
B Capital and Other Commitments:		
(a) Capital Commitments Estimated amount of contracts remaining to be executed on capital accounts and not provided for	124	108

(b) Lease Commitments:

The Group has entered into operating leases for its stores/retail outlets and office premises at various locations across India. The lease commitments (Minimum Lease Payments) towards non cancellable leases is not applicable as the lease payments have been considered in lease liability as per Ind AS - 116.:

37 Earnings per equity share

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 of the Company as adjusted by the after tax amount of dividends and interest recognised in the period in respect of dilutive potential equity shares 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:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Weighted average number of equity shares for Basic EPS		
Weighted average number of equity shares (Nos.)	80,205,238	80,191,300
Nominal value of equity shares	10	10
Profit/(Loss) after tax from continuing operations attributable to equity holders of the company	300	436
Earnings per equity share		
-basic	0.37	0.54
-diluted	0.37	0.54
(Loss) after tax from discontinued operations attributable to equity holders of the company	(150)	(275)
Earnings per equity share		
-basic	(0.19)	(0.34)
-diluted	(0.19)	(0.34)
Profit after tax from continuing and discontinued operations attributable to equity holders of the company	150	161
Earnings per equity share		
-basic	0.18	0.20
-diluted	0.18	0.20
Weighted average number of equity shares for Diluted EPS		
Number of shares considered as weighted average shares outstanding for Basic E	80,205,238	80,191,300
Add: Effect of Stock Options Granted	-	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	80,205,238	80,191,300

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

38 Government grants

(a) The Holding Company has recognised INR 354 lakhs (31st March 2020 INR 221 lakhs) for Duty Drawback / Export Incentives in Statement of Profit and loss . There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Statement of Profit and loss.

(b) **Paycheck Protection Program Loans**

During the year ended March 31, 2021, the Subsidiary Companies, Organic India USA LLC and Clean Program Corp. received two Paycheck Protection Program (PPP) loans amounting to USD 371,600 and USD 215,120 respectively. The PPP Loan program was created under the Coronavirus, Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and staffing level and salary maintenance requirements are met. Prior to March 31, 2021, the subsidiary companies applied for and received notification of forgiveness of the said loans amounting to USD 586,720 (equivalent INR 434 lakhs) from the SBA and the said amount of PPP Loans has been recorded as cancellation of debt income in other income as government grants.

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

39 SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The operating segments have been identified as different business carried namely Organic Herbal Products and Research & Development activities and the environment in which the Group operates within India and outside India.

a) Information about Geographical Segments:

(Amount in INR Lakhs)

Particulars	Organic Herbal Products				Research & Development*		Total	
	Business in India		Overseas Business		Business in India			
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Segment Revenue								
Sale of products:								
- External Sales	19,880	17,998	18,810	16,038	-	-	38,690	34,036
- Inter - Segment Sales	6,044	3,040	-	-	-	-	6,044	3,040
- Duty Drawback Received / Export Incentives / Vikas Kisan Gramin Undyog Yojana Scrips Received	788	221	-	-	-	-	788	221
Gross Turnover	**26,712**	**21,259**	**18,810**	**16,038**	**-**	**-**	**45,522**	**37,297**
Inter - Segment Transfers	(6,044)	(3,040)	-	-	-	-	(6,044)	(3,040)
Net Turnover	**20,668**	**18,219**	**18,810**	**16,038**	**-**	**-**	**39,478**	**34,257**
Profit on sale of assets	2	-	18	-	-	-	20	-
Other Income	785	726	302	522	-	-	1,087	1,248
Net revenue from operations	**21,455**	**18,945**	**19,130**	**16,560**	**-**	**-**	**40,585**	**35,505**
Segment Result before interest, Prior Period Items & taxes	1,283	1,149	555	284	-	-	1,838	1,433
Interest on Term Loan	(165)	(288)	(89)	(132)	-	-	(253)	(420)
Interest on Overdraft	(476)	(404)	-	-	-	-	(476)	(404)
Interest on Bills discounting	-	-	-	-	-	-	-	-
Interest on Security Deposit	(39)	(120)	-	-	-	-	(39)	(120)
Interest on Lease Liability	(145)	(120)	(19)	(32)	-	-	(164)	(152)
Others	(3)	(6)	(15)	(20)	-	-	(18)	(26)
Segment Result before taxes	**455**	**211**	**432**	**100**	**-**	**-**	**888**	**311**
Provision for Tax	(216)	(40)	(181)	(172)	-	-	(397)	(211)
Tax Paid for Earlier Years	(15)	9	-	-	-	-	(15)	9
Deferred Tax Income/(Expense)	(48)	44	41	(4)	-	-	(7)	40
Profit After Taxes	**176**	**224**	**292**	**(76)**	**-**	**-**	**469**	**149**
Segment Assets	36,580	40,157	8,699	8,410	-	195	45,279	48,762
Segment Liabilities	16,671	21,171	3,975	4,402	-	149	20,646	25,722
Depreciation/Amortization during the year	1,657	1459	538	566	0	0	2195	2025
Capital Expenditures including during the year	922	2,820	402	136	-	-	1,323	2,956

*Represents figures for the subsidiary Company Composite Interceptive Med Science Laboratories Private Limited which was identified as discountinued operations during the previous year and sold off in the current year.(Refer Note 47).

b) Entity wise disclosures are as under:

	31st March,2021 (Amount in Lakhs)	31st March,2020 (Amount in Lakhs)
Sale of Products		
- Within India	35,973	31,372
- Outside India	2,716	2,893
	38,689	34,265
Details of Non Current Asset		
- Within India	18,652	18,677
- Outside India	3,616	4,227
	22,268	22,904

c) Information about major customers

The Group did revenue from the following customers which exceeded 10% of total revenue:-

Name of Customer	Share of Total Revenue(in Percentage)	
	31st March,2021	**31st March,2020**
United Natural Foods Inc	11.47	10.56

40 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

Financial instruments by category as on 31st March 2021

(Amount in INR Lakhs)

	31st March 2021				
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Investments(Non current)	2,276	-	-	2,276	2,276
Loans(Non Current)	-	-	524	524	524
Other Financial Assets(Non Current)	22	-	21	43	43
Trade receivables	-	-	6,228	6,228	6,228
Cash and Cash equivalents	-	-	1,798	1,798	1,798
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	231	231	231
Loans(Current)	-	-	288	288	288
Other Financial Assets (Current)	63	-	-	63	63
TOTAL	**2,361**	**-**	**9,090**	**11,451**	**11,451**
Financial liabilities					
Borrowings(Non Current)	-	-	2,385	2,385	2,385
Other Financial Liabilities(Non Current)	84	-	2,007	2,091	2,091
Borrowings(Current)	-	-	7,463	7,463	7,463
Trade payables	-	-	3,673	3,673	3,673
Other Financial Liabilities (Current)	119	-	3,644	3,763	3,763
TOTAL	**203**	**-**	**19,172**	**19,375**	**19,375**

Financial instruments by category as on 31st March 2020

(Amount in INR Lakhs)

	31st March 2020				
	FVTPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets					
Investments(Non current)	2,153	-	-	2,153	2,153
Investments(current)	-	-	-	-	-
Loans(Non Current)	-	-	325	325	325
Other Financial Assets(Non Current)	67	-	26	93	93
Trade receivables	-	-	8,518	8,518	8,518
Cash and Cash equivalents	-	-	3,214	3,214	3,214
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	216	216	216
Loans(Current)	-	-	122	122	122
Other Financial Assets (Current)	20	-	-	20	20
TOTAL	**2,240**	**-**	**12,421**	**14,661**	**14,661**
Financial liabilities					
Borrowings(Non Current)	-	-	4,617	4,617	4,617
Other Financial Liabilities(Non Current)	138	-	2,068	2,206	2,206
Borrowings(Current)	-	-	8,015	8,015	8,015
Trade payables	-	-	4,827	4,827	4,827
Other Financial Liabilities (Current)	310	-	4,051	4,361	4,361
TOTAL	**448**	**-**	**23,577**	**24,025**	**24,025**

Trade receivables comprise amounts receivable from the sale of goods and services. The Management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

Loans (Non Current) comprise of security deposits paid and loan given to employees which have been discounted and the same approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.

Borrowings comprises of loan from bank and the fair value is considered to be same as the carrying value being at market rates.

Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.

Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value As at 31 March 2021

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	2,276	2,276
Other Financial Asssets	-	85	-	85
	-	**85**	**2,276**	**2,361**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2021

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	-	-
Loans	-	-	812	812
Trade receivables	-	-	6,228	6,228
Cash and Cash equivalents	-	-	1,798	1,798
Bank balances other than above	-	-	231	231
Other Financial Assets	-	-	21	21
	-	**-**	**9,090**	**9,090**

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	9,848	9,848
Trade payables	-	-	3,673	3,673
Other Financial Liabilities	-	203	5,651	5,854
	-	**203**	**19,172**	**19,375**

Financial assets and liabilities measured at fair value As at 31 March 2020

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	2,153	2,153
Other Financial Asssets	-	-	87	87
	-	**-**	**2,240**	**2,240**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2020

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	447	447
Trade receivables	-	-	8,518	8,518
Cash and Cash equivalents	-	-	3,214	3,214
Bank balances other than above	-	-	216	216
Other Financial Assets	-	-	26	26
	-	**-**	**12,421**	**12,421**

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	12,632	12,632
Trade payables	-	-	4,827	4,827
Other Financial Liabilities	-	448	6,119	6,567
	-	**448**	**23,577**	**24,025**

(ii) Measurement of fair values

The different levels of fair value have been defined below:
Level 1: This hierarchy includes financial instruments measured using quoted prices/net assets value in case of mutual funds.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.
There have been no transfers in either direction for the years ended 31 March 2021 and 31 March 2020.

(iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis/net asset value method.

The fair valuation of swaps and options are based on valuations performed by an accredited external independent valuer. The valuer is a specialist in valuing these types of instruments. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The fair valuations of foreign currency option is determined based on the option pricing model (eg Black-Scholes model), and fair valuation of cross currency swap is determined based on the present value of the estimated future cash flows taking observable inputs for the valuations.

(iv) Significant unobservable Inputs:

The Independent valuer has made detailed study based on standards methodology for valuation and have not taken any significant unobservable inputs for valuation of options and swaps on reporting date.

41 Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. The risk management policies are established to identify and analyse the risk faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company activities. The Group's board oversees how management monitors compliance with Group's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risk faced by the Group.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortized cost.	Ageing analysis	Diversification of bank deposits, credit limits and credit worthiness
Liquidity Risk	All financial liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market Risk - Foreign Exchange	Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecast Sensitivity Analysis	Forward Contracts, Option Contracts and Cross Currency Swap

i. Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's maximum exposure to credit risk associated with the trade and other receivables.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of trade receivables from the date, credit was initially granted upto the reporting date. The concentratrion of credit risk is limited due to the customer base being large and unrelated. Accordingly the management believes that there is no further credit provision required in excess of the allowance for doubtful debts. Management has assessed the advances and other receivables for impairment and has concluded that appropriate provision has been made for the doubtful advances and balance are fully recoverable in the normal course of business.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting

(Amount in INR Lakhs)

	31-Mar-21	31-Mar-20
Trade and other receivable	7,565	9,502
Less: Allowance for expected credit loss	(525)	(537)
	7,040	8,965

Movement in the allowance for impairment in respect of trade and other receivables

(Amount in INR Lakhs)

	31-Mar-21	31-Mar-20
Opening Balance	537	206
Add: Allowance created during the year	85	331
Less: Allowance written back during the year	97	-
Closing Balance	**525**	**537**

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks.

ii. Liquidity risk

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 Group's approach to manage liquidity is to ensure, availability of funding through an adequate amount of credit facilities to meet obigations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity position i.e. cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities
The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in INR Lakhs)

Contractual maturities of financial liabilities 31 March 2021	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	3,673	-	-	3,673
Long term borrowings	2,044	2,385	-	4,429
Short term borrowings	7,463	-	-	7,463
Security deposits received	501	366	-	867
Forwards Contracts/Options and Swap Payables	120	84	-	204
Payable for capital goods	110	-	-	110
Lease Liability	481	1,122	518	2,121
Interest accrued but not due	35	-	-	35
Other Accruals	473	-	-	473
	14,900	**3,957**	**518**	**19,375**

(Amount in INR Lakhs)

Contractual maturities of financial liabilities 31 March 2020	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Trade payables	4,826	-	-	4,826
Long term borrowings	2,149	4,617	-	6,766
Short term borrowings	8,015	-	-	8,015
Security deposits received	524	223	-	747
Forwards Contracts/Options and Swap Payables				
Payable for capital goods	444	-	-	444
Lease Liability				
Interest accrued but not due	31	-	-	31
Other Accruals	170	-	-	170
	16,159	**4,840**	**-**	**20,999**

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The Group's interest rate risks are covered by cross currency swaps. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

Currency risk

The Group operates internationally and transacts in foreign currencies and consequently the Group is exposed to foreign exchange risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee.The Group's exposure in respect of foreign currency are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Group enters in to derivative financial instruments i.e. forward foreign exchange contracts and forward option contracts for foreign currency risk mitigation.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2021 and 31 March 2020:-

(Amount in INR Lakhs)

					31-Mar-21				
	INR	**USD**	**EURO**	**AUD**	**NZD**	**GBP**	**HKD**	**SGD**	**AED**
Financial assets									
Trade Receivables	1,183	727,808	509,175	316,989	69,098	671	-	-	-
Cash and Cash Equivalents	32	43,649	-	-	-	-	-	-	-
Other Financial Assets	1	-	999	-	-	-	-	-	-
	1,216	771,457	510,174	316,989	69,098	671	-	-	-
Financial liabilities									
Trade Payables	115	35,136	-	142,198	-	-	35,506	-	35,530
Short Term Borrowings	1,721	2,350,000	-	-	-	-	-	-	-
Long Term Borrowings	2,360	3,222,656	-	-	-	-	-	-	-
	4,196	5,607,792	-	142,198	-	-		-	35,530

(Amount in INR Lakhs)

					31-Mar-20				
	INR	**USD**	**EURO**	**AUD**	**NZD**	**GBP**	**HKD**	**SGD**	**AED**
Financial assets									
Trade Receivables	3,336	1,560,993	479,612	373,827	54,341	81,732	-	-	-
Cash and Cash Equivalents	8	5,193	4,649	-	-	31	99	41	-
	3,344	1,566,186	484,261	373,827	54,341	81,763	99	41	-
Financial liabilities									
Trade Payables	370	433,948	46,758	7,817	-	-	35,506	-	-
Long Term Borrowings	747	1,000,000	-	-	-	-	-	-	-
Short Term Borrowings	4,015	5,371,094	-	-	-	-	-	-	-
	5,132	6,805,042	46,758	7,817	-	-	35,506	-	-

The following significant exchange rates have been applied during the year.

FOREIGN CURRENCY	**Year-end spot rate**	
	31-Mar-21	**31-Mar-20**
USD	73.23	74.74
EURO	85.88	82.21
AUD	55.70	46.19
NZD	51.18	45.16
HKD	9.42	9.64
GBP	100.81	92.48
AED	19.93	20.34
SGD	54.42	52.48

Sensitivity analysis

A reasonably possible strengthening / weakening of the respective foreign currencies with respect to the functional currency of Company would result in increase or decrease in profit or loss and equity as shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

	Profit or loss before tax		**Equity, net of tax**	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
3/31/2021				
5% movement				
USD	(177)	177	(133)	133
EURO	22	(22)	16	(16)
AUD	5	(5)	4	(4)
NZD	2	(2)	1	(1)
GBP	-	-	-	-
AED	-	-	-	-
SGD	-	-	-	-
	(148)	148	(133)	133

	Profit or loss before tax		**Equity, net of tax**	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
3/31/2020				
5% movement				
USD	(196)	196	(147)	147
EURO	18	(18)	13	(13)
AUD	8	(8)	6	(6)
NZD	1	(1)	1	(1)
GBP	4	(4)	3	(3)
AED	-	-	-	-
SGD	-	-	-	-
	(165)	165	(124)	124

Derivative financial instruments

The Holding Company holds derivative financial instruments such as cross currency swaps, foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details of outstanding cross currency swaps and foreign currency forward and options contracts as on 31st March 2021 and 31st March 2020 are as follows:

Type of Derivative	As at 31st March 2021		As at 31st March 2020	
	Amount in Foreign Currency	Amount in INR Lakhs	Amount in Foreign Currency	Amount in INR Lakhs
Cross Currency Swap				
- In USD	1,272,054	935	1,998,946	1,507
	1,272,054	**935**	**1,998,946**	**1,507**
Forward Contracts				
- In USD	7,460,000	5,728	1,000,000	728
- In Euros	150,000	134	200,000	163
	7,610,000	**5,862**	**1,200,000**	**891**
To Buy				
- In USD	337,000	250	-	-
	337,000	**250**	**-**	**-**
Forward Option Contracts				
To Buy				
- In USD	5,572,656	4,096	5,371,093	4,049
	5,572,656	**4,096**	**5,371,093**	**4,049**
To Sell				
- In USD	1,900,000	1,397	5,900,000	4,448
	1,900,000	**1,397**	**5,900,000**	**4,448**

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at 31st March 2021 and 31st March 2020 :

31st March 2021

Particulars	Cross Currency Swaps		Option Contracts to Buy		Option Contracts to Sell	
	In USD	Amount in INR Lakhs	In USD	Amount in INR Lakhs	In USD	Amount in INR Lakhs
Not later than one year	726,888	534	4,498,438	3,307	1,900,000	1,397
Later than one year but not later than two year	545,166	401	1,074,219	790	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	**1,272,054**	**935**	**5,572,656**	**4,097**	**1,900,000**	**1,397**

31st March 2020

Particulars	Cross Currency Swaps		Option Contracts to Buy		Option Contracts to Sell	
	In USD	Amount in INR Lakhs	In USD	Amount in INR Lakhs	In USD	Amount in INR Lakhs
Not later than one year	726,888	548	2,148,438	1,620	3,500,000	2,639
Later than one year but not later than two year	726,888	548	2,148,438	1,620	2,400,000	1,809
Later than two year but not later than three year	545,170	411	1,074,218	810	-	-
Total	**1,998,946**	**1,507**	**5,371,093**	**4,050**	**5,900,000**	**4,448**

The table below analyzes the relevant maturity groupings of the forward exchange contracts based on the remaining period as at 31st March 2021 and as at 31st March 2020:

Particulars	31st March 2021			31st March 2020		
	In USD	In Euro	Amount in INR Lakhs	In USD	In Euro	Amount in INR Lakhs
Not later than one year	3,860,000	150,000	3,066	1,000,000	200,000	891
Later than one year but not later than	3,600,000	-	2,796	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	**7,460,000**	**150,000**	**5,862**	**1,000,000**	**200,000**	**891**

Particulars	31st March 2021			31st March 2020		
	In USD	In Euro	Amount in INR Lakhs	In USD	In Euro	Amount in INR Lakhs
Not later than one year	337,000	-	250	-	-	-
Later than one year but not later than	-	-	-	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	**337,000**	**-**	**250**	**-**	**-**	**-**

42 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

Management of the Company has ensured that net worth of the Group has increased and profit from operations of the company has been utilised further in the operations of the Group.

	(Amount in INR Lakhs)	
	31-Mar-2021	31-Mar-2020
Total Assets	45,280	48,763
Total Liabilities	20,647	25,723
Net Worth	**24,633**	**23,040**

The Group determines the amount of capital required on the basis of actual business plans coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

	(Amount in INR Lakhs)	
Capital	**As at 31st March 2021**	**As at 31st March 2020**
Long Term Borrowings	2,385	4,617
Short Term Borrowings	9,507	10,164
Total Debt	**11,892**	**14,781**
Equity Share Capital	8,266	8,019
Other Equity	14,242	12,848
Non Controlling Interest	2,125	2,173
Total Equity	**24,633**	**23,040**
Debt-Equity Ratio	**0.48**	**0.64**

*Lease liabilities recognised as per Ind AS 116 is not included in Total Debt

Dividends	(Amount in INR Lakhs)	
	March 31 2021	**March 31 2020**
Dividends not recognized at the end of the reporting period	-	-

43 RELATED PARTY DISCLOSURES

A Names of Related parties where control exists

Holding Company
- M/s Fabindia Overseas Private Limited

Fellow Subsidiary Company
- M/s Fabcafe Foods Private Limited

Associate Company
- M/s Nutriwel Health (India) Private Limited

Key Management Personnel

Mr. Yoav Lev	Director
Mr. Dinesh Kumar	Director
Mr. Vikram Singh	Director
Mr. Mukesh Kumar Chauhan	Director
Mrs. Elizabeth Nanda	Director
Mr Subrata Dutta	Managing Director w.e.f. 04/01/2021(Director up to 03/01/2021)
Mr. Pankaj Pachauri	Director
Mr. Laurent Chappuis	Director
Mr. Paul C. Salins (up to 04/04/2020)	Director
Mr. William Nanda Bissell	Director
Mrs. Holly B Lev	Director
Mr. Richard Celeste	Director
Mr. Richard Baskin	Director
Dr. Alejandro Junger	Director
Ms. Dipali Patwa (w.e.f 01/08/2020)	Director

Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year
- M/s OI (India) Holding, LLC
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited
- M/s LEV True Wellness Private Limited
- M/s Organic India Farmers Producer Company Limited
- M/s OI (US) Holdings, LLC
- M/s Organic India Foundation
-Mazumdar Shaw Medical Foundation(up to 04/04/2020)

B Summary of related party transactions

(Amount in INR Lakhs)

Particulars	Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		Total	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Sale of Goods	1,123	2,509	-	-	279	273	5	1	-	-	1,407	2,783
Purchase of Raw Material	-	-	-	-	-	-	209	828	-	-	209	828
Interest Income	-	-	-	-	107	107	-	-	-	-	107	107
Royalty income	-	-	-	-	1	-	-	0	-	-	1	-
Rental income	-	-	-	-	-	-	-	0	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	80	21	80	21
Legal and Professional Expenses	-	-	-	-	5	8	-	-	24	34	29	42
Director's Commission	-	-	-	-	-	-	-	-	391	440	391	440
Issue and Allotment of Equity Shares	-	-	-	-	-	-	-	-	-	1	-	1
Securities Premium Received	-	-	-	-	-	-	-	-	-	-	703	-
Dividend Paid	-	424	-	-	-	-	-	367	-	1	-	792
Security Deposit Paid	20	55	-	-	-	-	-	-	-	-	20	55
Margin difference Claim	36	51	-	-	-	-	-	-	-	-	36	51
Rent	186	165	-	-	-	-	-	6	-	-	186	171
Interest expense	-	5	-	-	-	-	-	-	-	-	-	5
Royalty	101	151	-	-	-	-	-	-	4	-	105	151
Reimbursement of Expenses	30	41	-	-	-	-	2	1	-	-	32	42
Staff Welfare Expenses	-	-	1	-	-	-	-	-	-	-	1	-
Freight Expenses	-	-	-	-	12	15	-	-	-	-	12	15
Business Support Expenditure	607	684	-	-	-	-	-	-	-	-	607	684
Purchase of Fixed Assets	5	16	-	-	-	-	-	-	-	-	5	16
Miscellaneous Receipts	9	19	-	-	-	-	-	-	-	-	9	19
Corporate Social Responsibility Expenses	-	-	-	-	-	-	59	97	-	-	59	97
Loan Given	-	-	-	-	-	-	-	-	269	38	269	38
Loan repayment received during the year	-	-	-	-	-	-	-	-	-	-	-	-
Loan Taken	-	-	-	-	-	-	-	-	-	47	-	47
Loan repayment made during the year	-	-	-	-	-	-	185	-	-	-	185	-
Interest on Loan	-	-	-	-	-	-	59	132	-	1	59	133

Particulars	Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Balances Outstanding										
Receivables	341	518	-	-	1,475	1,375	21	1	306	40
Payables	623	1,419	1	-	1	4	1,291	1,659	399	332

Terms and conditions:
1. All transactions with these related parties are priced on an arm's length basis.
2. None of the balances outstanding are secured.
3. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Compensation of Key Management Personnel

The remuneration of director and other member of Key Management Personnel during the year was as follows:

Particulars	2020-21	2019-2020
Short-Term Benefits	493	495
Post-Employment Benefits	-	-
Other Long-Term Benefits	-	-
Share-Based Payments	2	0
Termination Benefits	-	-
Dividend Paid	-	1
Total compensation paid to key management personnel	**495**	**496**

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

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

C **Transactions with the related parties which have been entered into during the year are as follows:**

(Amount in INR Lakhs)

Particulars	Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Sale of Goods										
- M/s Fabindia Overseas Private Limited	1,123	2,509	-	-	-	-	-	-	-	-
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	279	273	-	-	-	-
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	-	-	5	1	-	-
- M/s Organic India Foundation	-	-	-	-	-	-	0	0	-	-
- M/s LEV True Wellness Private Limited	-	-	-	-	-	-	0	-	-	-
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	-	-	0	-	-	-
- M/s Fabcafe Foods Private Limited	-	-	0	-	-	-	-	-	-	-
Purchase of Raw Material										
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	-	-	43	38	-	-
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	-	-	67	34	-	-
- M/s LEV True Wellness Private Limited	-	-	-	-	-	-	99	756	-	-
Interest Income										
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	107	107	-	-	-	-
Royalty Income										
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	1	0	-	-	-	-
Rental Income										
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	-	0	-	-	-	-
Remuneration (Including LTA, Exgratia, Leave Encashment, Perquisite)										
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	-	19	21
- Mr. Subrata Dutta	-	-	-	-	-	-	-	-	61	-
- Mr. Mukesh Chauhan	-	-	-	-	-	-	-	-	0	-
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	-	-	0	-
Legal and Professional Expenses										
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	5	8	-	-	-	-
- Mr. Vikram Singh	-	-	-	-	-	-	-	-	12	12
- Mr. Pankaj Pachauri	-	-	-	-	-	-	-	-	12	12
- Mr. Paul C. Salins	-	-	-	-	-	-	-	-	-	10

C **Transactions with the related parties which have been entered into during the year are as follows:**

(Amount in INR Lakhs)

Particulars	Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Director's Commission										
- Mr. Yoav Lev	-	-	-	-	-	-	-	-	73	58
- Mrs. Holly B Lev	-	-	-	-	-	-	-	-	73	58
- Mr. Mukesh Kumar Chauhan	-	-	-	-	-	-	-	-	62	36
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	-	-	25	20
- Mr.William Nanda Bissell	-	-	-	-	-	-	-	-	109	248
- Mr. Subrata Dutta	-	-	-	-	-	-	-	-	36	-
- Mr. Laurent Chappuis	-	-	-	-	-	-	-	-	13	20
Issue and Allotment of Equity Shares										
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	-	-	1
Dividend Paid										
- M/s Fabindia Overseas Private Limited	-	424	-	-	-	-	-	-	-	-
- M/s OI (India) Holding, LLC	-	-	-	-	-	-	-	367	-	-
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	-	-	1
Security Deposit Paid										
- M/s Fabindia Overseas Private Limited	20	55	-	-	-	-	-	-	-	-
Margin Differene Claim										
- M/s Fabindia Overseas Private Limited	36	51	-	-	-	-	-	-	-	-
Rent										
- M/s Fabindia Overseas Private Limited	186	165	-	-	-	-	-	-	-	-
- Mazumdar Shaw Medical Foundation	-	-	-	-	-	-	-	6	-	-
Interest Expense										
- M/s Fabindia Overseas Private Limited	-	5	-	-	-	-	-	-	-	-
Royalty										
- M/s Fabindia Overseas Private Limited	101	151	-	-	-	-	-	-	-	-
-Dr. Alejandro Junger	-	-	-	-	-	-	-	-	4	-

C **Transactions with the related parties which have been entered into during the year are as follows:**

(Amount in INR Lakhs)

Particulars	Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Reimbursement of Expenses										
- M/s Fabindia Overseas Private Limited	30	41	-	-	-	-	-	-	-	-
Reimbursement of processing Fee Herbs										
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	-	-	2	1	-	-
Reimbursement of certification expenses										
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	-	-	-	0	-	-
Staff Welfare Expenses										
- M/s Fabcafe Foods Private Limited	-	-	1	-	-	-	-	-	-	-
Freight Outward										
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	12	15	-	-	-	-
- Mr. Subrata Dutta	-	-	-	-	-	-	-	-	-	-
Business Support Expenditure										
- M/s Fabindia Overseas Private Limited	607	684	-	-	-	-	-	-	-	-
Purchase of Fixed Asset										
- M/s Fabindia Overseas Private Limited	5	16	-	-	-	-	-	-	-	-
Miscellaneous Receipts										
- M/s Fabindia Overseas Private Limited	9	19	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses										
- M/s Organic India Foundation	-	-	-	-	-	-	59	97	-	-
Loan given during the year										
- Mr. Dinesh Kumar	-	-	-	-	-	-	-	-	5	-
- Mr. Subrata Dutta	-	-	-	-	-	-	-	-	264	-
-Dr. Alejandro Junger	-	-	-	-	-	-	-	-	-	38
Loan taken										
- M/s OI (US) Holdings, LLC	-	-	-	-	-	-	-	-	-	47
Loan repayment made during the year										
- M/s OI (US) Holdings, LLC	-	-	-	-	-	-	185	-	-	-
Interest On Loan										
- M/s OI (US) Holdings, LLC	-	-	-	-	-	-	59	132	-	-
- Mr. Paul C. Salins	-	-	-	-	-	-	-	-	-	1

C Transactions with the related parties which have been entered into during the year are as follows:

(Amount in INR Lakhs)

Particulars	Holding Company		Fellow Subsidiary Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Receivables										
- M/s Fabindia Overseas Private Limited	341	518	-	-	-	-	-	-	-	-
- M/s Nutriwel Health (India) Private Limited - Debenture	-	-	-	-	1,191	1,191	-	-	-	-
- M/s Nutriwel Health (India) Private Limited - Trade Receivables	-	-	-	-	77	76	-	-	-	-
- M/s Nutriwel Health (India) Private Limited - Others	-	-	-	-	207	108	-	-	-	-
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	-	-	21	1	-	-
- M/s LEV True Wellness Private Limited	-	-	-	-	-	-	0	-	-	-
- M/s Organic India Farmers Producer Co.Limited	-	-	-	-	-	-	0	-	-	-
- Mr. Subrata Dutta (Loan)	-	-	-	-	-	-	-	-	264	-
-Mr. 'Dinesh kumar (Loan)	-	-	-	-	-	-	-	-	2	-
- M/s Organic India Foundation	-	-	-	-	-	-	0	-	-	-
-Dr. Alejandro Junger (Loan)	-	-	-	-	-	-	-	-	40	40
Payables										
- M/s Fabindia Overseas Private Limited	623	1,419	-	-	-	-	-	-	-	-
- M/s Nutriwel Health (India) Private Limited	-	-	-	-	1	4	-	-	-	-
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	-	-	-	3	-	-
- M/s LEV True Wellness Private Limited	-	-	-	-	-	-	32	182	-	-
- M/s Organic India Farmers Producer Co.Limited	-	-	-	-	-	-	-	0	-	-
- M/s Fabcafe Foods Private Limited	-	-	1	-	-	-	-	-	-	-
-Mazumdar Shaw Medical Foundation	-	-	-	-	-	-	-	1	-	-
- M/s OI (US) Holdings, LLC	-	-	-	-	-	-	1,259	1,473	-	-
- Mr. Yoav Lev	-	-	-	-	-	-	-	-	73	58
- Mrs. Holly B Lev	-	-	-	-	-	-	-	-	73	58
- Mr. Mukesh Kumar Chauhan	-	-	-	-	-	-	-	-	62	36
- Mrs. Elizabeth Nanda	-	-	-	-	-	-	-	-	25	20
- Mr. William Nanda Bissell	-	-	-	-	-	-	-	-	109	87
- Mr. Paul C. Salins	-	-	-	-	-	-	-	-	-	48
- Mr. Subrata Dutta	-	-	-	-	-	-	-	-	37	-
- Mr. Laurent Chappuis	-	-	-	-	-	-	-	-	13	20
- Mr. Vikram Singh	-	-	-	-	-	-	-	-	3	2
- Mr. Pankaj Pachauri	-	-	-	-	-	-	-	-	3	3
-Dr. Alejandro Junger	-	-	-	-	-	-	-	-	1	-

44 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

-Provident fund/ Pension Scheme

An amount of INR. 94 lakhs (Previous Year INR. 98 lakhs) has been recognised as an expense in respect of the Holding Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under personnel expenses in the Statement of Profit and Loss. Out of the said amount, an amount of INR. Nil lakhs(Previous Year INR 2 lakhs) has been recognised with respect to the discontinued operations.

The Subsidiary Company, Organic India USA LLC sponsors a 401(k) profit-sharing plan available to defined eligible employees in which eligible participants are allowed to make contributions up to statutory limits. The Subsidiary Company makes a matching contributions equal to the participant's contribution up to 5 percent of the participant's compensation. Such amounts vest immediately. The Company has made matching contributions of INR 39 lakhs and INR 36 lakhs for the years ended March 31, 2021 and March 31, 2020 respectively.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(b) Defined benefit plans

-Contribution to Gratuity fund

The Holding Company has defined benefit gratuity plan(funded) wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

-Compensated absences - Earned leave

Employees are eligible to encash unutilized earned leaves in excess of 60 days at the end of each calendar year. Encashment will be made on the basic salary.
Actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate of 6.60% p.a. (Previous Year 6.50% p.a.) compound, has been used in consultation with the Group.

Salary Growth Rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. The assumptions used are summarized in the following table:

	Gratuity (Funded)		**Compensated Absences Earned Leave (Non Funded)**	
	As At 31 March 2021	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
Discount rate(per annum)	6.50%	7.35%	6.50%	7.35%
Future salary increase(per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	6.50%	7.35%	0.065	0
In service mortality	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Retirement Age	60 years	60 years	60 years	60 years
Withdrawal rates : Ages/ withdrawal rate	10.00%	10.00%	10.00%	10.00%

(Amount in INR Lakhs)

	Gratuity (Funded)		Compensated Absences (Non Funded)	
	2020-21	2019-20	2020-21	2019-20
1. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at the beginning of the year	352	279	153	122
Interest Cost	21	20	9	8
Current Service Cost	52	46	37	34
Past Service Cost	-	-	-	-
Benefits Paid	(9)	(9)	(39)	(21)
Actuarial (gain)/loss on obligation	(21)	17	2	10
Defined Benefit Obligation at the end of the year	**395**	**353**	**162**	**153**
2. Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	238	231	-	-
Expected return on Plan Assets	16	17	-	-
Employer Contribution	53	3	-	-
Benefits Paid	(9)	(9)	-	-
Actuarial gain/(loss) on plan assets	(2)	(3)	-	-
Fair value of plan assets at the end of the year	**296**	**239**	**-**	**-**
3. Reconciliation of fair value of Assets and Obligations				
Fair value of Plan Assets	296	239	-	-
Present value of Obligation	395	353	162	153
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(99)**	**(114)**	**(162)**	**(153)**
Less Liabilities disposed on sale/ classified as Held for sale for discontinued operations	**(2)**	**(2)**	**-**	**-**
Amount recognized in Balance Sheet for Continuing Operations(Surplus/(Deficit))	**(97)**	**(112)**	**(162)**	**(153)**
4. Expenses recognized in Statement of Profit and Loss *				
Current service cost	52	46	37	34
Net Interest Cost	5	3	9	8
Past Service Cost	-	-	-	-
Net actuarial (gain)/loss recognized in the period	-	-	2	10
Net Expense	**57**	**49**	**48**	**52**
Net Expense attributable to Discontinued Operations	**-**	**3**	**-**	**-**
Net Expense attributable to Continuing Operations	**57**	**46**	**48**	**52**
5. Expenses recognized in Other Comprehensive Income				
Actuarial (gain)/loss for the year on Obligation	(21)	17	-	-
Actuarial (gain)/loss for the year on Plan Assets	2	3	-	-
Net (Income)/Expense in OCI	**(19)**	**20**	**-**	**-**

6. Major categories of Plan Assets (as percentage of total Plan Assets):

	Gratuity (Funded)		Compensated Absences Earned Leave (Non Funded)	
	2020-21	2019-20	2020-21	2019-20
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%	0.00%	0.00%
Equity Shares of Listed Companies	0.00%	0.00%	0.00%	0.00%
Real Estate/ Property	0.00%	0.00%	0.00%	0.00%
Cash (including special deposit)	0.00%	0.00%	0.00%	0.00%
Others (including assets under schemes of Insurance)	100.00%	100.00%	0.00%	0.00%
Total	**100.00%**	**100.00%**	**0.00%**	**0.00%**

7. Sensitivity Analysis of the Defined Benefit Obligation:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in INR Lakhs)

Particulars	31st March 2021		31st March 2020	
	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%
Impact of the change in Discount Rate (0.50% movement)	(380)	365	(337)	365
Impact of the change in Salary Increase Rate (0.50% movement)	405	(341)	361	(341)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

8. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as f

A). Salary Increases - Actual salary increases will increase the Plan’s liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B). Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C). Discount Rate - Reduction in discount rate in subsequent valuations can increase the Plan’s liability.

D). Mortality & Disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E). Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan’s liability.

45 EMPLOYEE STOCK OPTION PLAN

a) Organic India Private Limited Employee Stock Option Plan (ESOP) 2016

The members of the Holding Company has approved Organic India Private Limited Employee Stock Option Plan (ESOP) 2016 ('the Plan') in the meeting held on September 30, 2016. The Plan provides for grant of equity share options to the eligible employees including Directors of the Company and the Subsidiary Company (excluding independent directors) as determined by the Remuneration Committee of the Board of Directors from time to time, subject to terms and conditions specified in the Plan and Employee Stock Option Agreements/Grant Letters.The Company has discontinued the said plan from the current year.

Information in respect of the Employee Stock Options granted upto 31st March, 2020 under the Plan:

Scheme	Year	Date of Grant	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (Rs.) per share	Weighted Average Exercise Price (Rs.) per share
Organic India Private Limited ESOP 2016	2016 - 2017	st October, 2016	476,584	One year from the date of grant i.e. Up to 30th September, 2017	30 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2017 - 2018	1st May 2017	248,453	One year from the date of grant i.e. up to 30th April, 2018	60 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2018 - 2019	1st May 2018	279,833	One year from the date of grant i.e. up to 30th April, 2019	60 days from the date of vesting	10	10

The Holding Company has not offered any Equity Shares under ESOP scheme to the employees of the Company during the financial year ended 31st March 2021 and 31st March 2020.

a) Movement in Employee Stock Options during the year:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	-	-	279,833	10
Granted during the year	-	-	-	10
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	273,667	10
Expired/ Lapsed during the year	-	-	6,166	10
Outstanding at the end of the year	-	-	-	10
Exercisable at the end of the year	-	-	-	-

b) Fair Value on the Grant Date:

The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Fair Value at Grant Date	(Amount in INR)
1st October, 2016	20.67
1st May 2017	24.22
1st May 2018	27.62

c) The effect of share-based payment plan on the Financial Statements:

	2020-21 (Amount in INR lakhs.)	2019-20 (Amount in INR lakhs.)
Expense arising from employee share-based payment plan	-	6
Liability arising from employee share-based payment plan	-	-

b) Organic India USA, LLC 2020 Employee Equity Bonus Plan

During the year, the members of the Organic India USA LLC, Subsidiary Company has approved the Organic India USA, LLC 2020 Employee Equity Bonus Plan (the Plan). The Plan permits the granting of awards to employees of the Subsidiary Company as designated by the Board of Directors who are either in a management position or higher, or who have been employed by the Subsidiary Company for at least 12 consecutive months. As defined in the Plan document, an award shall mean the granting of shares, or non-voting units of the Holding Company, as further defined in the Company's Operating Agreement. The shares shall generally vest in five tranches every 18 months, commencing on the vesting commencement date, subject to the fulfillment of certain applicable performance milestone requirements,as further set forth in the award agreements and Plan document.

Information in respect of the Employee Stock Options granted upto 31st March, 2021 under the Plan:

Scheme	Year	Date of Grant	Tranches	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (Rs.) per share	Fair Value of option on Grant Date
2020 Employee Equity Bonus Plan	2020-21	11/26/2020	I	577.44	9/30/2021	30 days from the date of Vesting	272.33	276.89
			II	721.81	3/30/2023	30 days from the date of Vesting	272.33	277.74
			III	1,010.53	9/30/2024	30 days from the date of Vesting	272.33	279.83
			IV	1,299.25	3/30/2026	30 days from the date of Vesting	272.33	282.48
			V	1,587.97	9/30/2027	30 days from the date of Vesting	272.33	288.97

a) Movement in Employee Stock Options during the year:

Particulars	As at 31st March 2021	
	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	-	-
Granted during the year	5,197	272.33
Forfeited during the year	-	-
Exercised during the year	-	-
Expired/ Lapsed during the year	-	-
Outstanding at the end of the year	5,197	272.33
Exercisable at the end of the year	-	-

b) Fair Value on the Grant Date:

The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share and the risk free interest rate for the term of the option.

The significant assumptions used to ascertain fair value of each Option in accordance with Black Scholes model:

	Tranche				
Particulars	**I**	**II**	**III**	**IV**	**V**
Risk-free Interest Rate	0.11%	0.17%	0.30%	0.39%	0.65%
Expected Life of Option (in years)	0.85	2.34	3.85	5.34	6.84
Volatility of Underlying Stock	12.50%	12.50%	12.50%	12.50%	12.50%

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the US Treasury Market rates derived from the website of US Department of Treasury.

c) The effect of share-based payment plan on the Financial Statements:

	2020-21 (Amount in INR lakhs.)	2019-20 (Amount in INR lakhs.)
Expense arising from employee share-based payment plan	265	-
Liability arising from employee share-based payment plan	262	-

46 EMPLOYEE SHARE PURCHASE SCHEME

The members of the Holding Company approved Organic India Private Limited Employee Share Purchase Scheme 2021 (Scheme) in their meeting held on December 10, 2020. The Scheme provides for issue of equity shares of the Holding Company to the eligible employees, including Directors of the Holding Company and the employees and directors of its Subsidiary Companies and Holding Company, as determined by the Remuneration & Compensation Committee of the Board of Directors from time to time, in accordance with Applicable Laws, subject to terms and conditions as specified in the ESPS Agreement and the Scheme.

The implementation of the scheme is done through Organic India Employees Welfare Trust" (Trust), a registered trust. As per the Scheme, the select employees shall be allowed to purchase the Holding Company's equity shares on an upfront basis subject to certain performance conditions to be fulfilled by the said employees subsequent to the share(s) purchased. The equity shares shall be eligible for purchase based on the eligibility criteria of respective eligible employee where certain percentage of equity shares shall be unlocked as determined by the Remuneration and Compensation Committee of the Holding Company. The equity shares so purchased shall be under the lock-in period as per the scheme and would be released to the eligible employee upon meeting the performance and other conditions as set forth. During the lock-in period, the employee will remain to be the beneficial owner of the equity shares and the legal ownership will be transferred to the Trust till the completion of the condition subsequent set out in the ESPS Agreement.

The Scheme provides for allotment of a maximum of 4% of the paid up equity share capital of the Holding Company on fully diluted basis i.e. a maximum of 33,41,304 Equity Shares can be allotted in one or multiple tranches.

Movement in Employee Stock Options during the year:

During the financial year ending 31st March, 2021, the Holding Company has allotted 25,11,197 Equity shares having face value of Rs. 10/- each at a price of Rs. 38/- each including a premium of Rs. 28/- aggregating to Rs. 954 Lakhs fully paid up to the Trust and then Trust transferred these to the eligible employees in terms of the Scheme.

a) **Movement of Equity Shares allotted to the Trust and transferred by Trust to eligible employees as on 31st March 2021:**

Particulars	**Trust**
	Number of Shares
Opening at the beginning of the year	-
Add : Equity Shares Allotted to trust by the Holding Company during the year	2,511,197
Less: Equity Shares transferred to the eligible employee by the Trust during the year	(2,469,647)
Outstanding at the end of the year	41,550

b) **Details of Equity Shares allocated to the eligible employees and are held under lock-in period by Trust, for the benefit of employees under the Scheme, as on 31st March 2021:**

Particulars	**Trust**
	Number of Shares
Opening balance at the beginning of the year	-
Add: Equity Shares Allotted during the year	2,469,647
Less: Equity Shares unlocked during the year	-
Total Equity Shares unlocked at the end of the year	2,469,647

c) The effect of share-based payment plan on the Financial Statements:

	2020-21	**2019-20**
	(Amount in INR Lakhs)	*(Amount in INR Lakhs)*
Expense arising from employee share-based payment plan	2	-
Deferred Expense arising from employee share-based payment plan	689	-

47 Discontinued operations

(a) Disposal of a Godwar Farmers Collective Private Limited

On 31st August, 2019, the Holding Company entered into a Share Purchase Agreement with IFIS Corporate Advisory Services Private Limited for divestment of its entire stake in Godwar Farmers Collective Private Limited, the subsidiary of the Holding Company.

The said transaction was concluded on 1st September, 2019. The loss of discontinued operations and the resultant loss on disposal has been included in the consolidated financial statements as loss from discontinued operations.

(i) Analysis of loss for the year from discontinued operations:

The results of the discontinued operations included in the profit for the year are as set below.

	For the year ended 31st March 2021	For the period 1st April 2019 to 31st August 2019 (Amount in INR Lakhs)
Revenues		
Revenue from Operations		2
Other Income		-
Total Revenues		**2**
Expenses		
Purchase of Stock in Trade		1
Employee Benefit Expense		6
Depreciation & Amortisation Expense		0
Other Expenses		6
Total Expenses		**13**
(Loss) before tax from discontinued operations		(11)
Less Tax Expense/(Income) of Discontinued Operations		0
(Loss) after tax from discontinued operations		**(11)**

(ii)Analysis of cash flows for the year from discontinued operations:

Particulars	**For the period 1st April 2019 to 31st August 2019**
Net cash (outflow) from operating activities	3
Net cash (outflow) from investing activities	(2)
Net cash (outflow) from financing activities	-

iii) Computation of loss on disposal of the subsidiary

Cash consideration received	16
Less: Carrying value of net asset sold*	(5)
Less: Goodwill on acquisition	11
Add: Share of Non Controlling Interest	(1)
Profit on Disposal	**9**

***Carrying value of net asset sold**

	As at 31st August 2020
Assets	
Non Current Assets	
Property, Plant And Equipment	3
Deferred Tax Assets	5
Other Non-Current Assets	0
Current Assets	
Financial Assets	
Trade Receivables	2
Cash And Cash Equivalents	2
Total Assets	**12**
Liabilities	
Current Liabilities	
Other Current Liabilities	17
Total Liabilities	**17**
Net assets derecognised	**(5)**

(b) Disposal of Composite Interceptive Med Science Laboratories Private Limited

The Holding Company had entered into a Share Purchase Agreement dated 12th March 2020 for disinvestment of its entire equity investment held in Composite Interceptive Med Science Laboratories Private Limited(Subsidiary of the Company) for INR 2 lakhs and accordingly, all the assets and the liabilities of the said subsidiary were disclosed under “Assets classified as held for sale and discontinued operations” / “Liabilities directly associated with assets classified as held for sale and discontinued operations” during the previous year in the Consolidated Balance Sheet in accordance with the provisions of Indian Accounting Standard 105 – ‘Non-current Assets Held for Sale and Discontinued Operations’.

The said transaction of sale of equity shares was executed on 4th April 2020 on achievement of the closing conditions as defined in the said Share Purchase agreement and the loss of discontinued operations and the resultant loss on disposal has been included in the consolidated financial statements as loss from discontinued operations.

Financial performance and cash flows of the Subsidiary Company is as below:

(i) Analysis of profit / (loss) from discontinued operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (loss) for the year from discontinued operations		
Revenue From Operations	-	1
Other Income	-	8
Total Income	**-**	**9**
Employee Benefit Expense	-	113
Finance Cost	-	8
Depreciation & Amortisation Expense	-	25
Other Expenses	-	50
Total Expenses	**-**	**196**
(Loss) Before Tax from Discontinued Operations	**-**	**(187)**
Tax Expense:		
Current tax	-	-
Deferred tax	-	(157)
(Loss) for the Year from Discontinued Operations	**-**	**(344)**

Total Comprehensive Income For The Period from Discontinued Operations

Net cash (outflows) / inflows from operating activities	-	-
Net cash used in investing activities	-	-
Net cash (outflows) / inflows from financing activities	-	-
Net cash (outflows) / inflows	**-**	**-**

iii) Computation of loss on disposal of the subsidiary

Cash consideration received	2
Less: Carrying value of net asset sold (Refer Note iii below)	45
Less: Goodwill on acquisition	-
Add: Share of Non Controlling Interest	(107)
Profit/(Loss) on Disposal	**(150)**

(iv) Book value of assets and liabilities of discontinued operations derecognised

Details of Assets Held for Sale of Discontinued Operations

	As at 4th April 2020	As at 31st March 2020
Non Current Assets		
Property, Plant And Equipment	69	69
Intangible Assets	0	-
Right Of Use Assets	73	73
Financial Assets	-	-
Loans	4	4
Deferred Tax Assets (Net)	4	4
Other Non-Current Assets	0	-
Current Assets		
Financial Assets	-	-
Cash And Cash Equivalents	2	2
Current Tax Assets (Net)	4	4
Other Current Assets	38	38
Total Assets	**194**	**194**

Details of Liabilities directly associated with the Discontinued Operations

Non-Current Liabilities		
Borrowings	47	47
Other Financial Liabilities	64	64
Deferred Tax Liabilities (Net)	-	-
Provisions	3	3
Current Liabilities		
Trade Payables	3	3
Other Financial Liabilities	25	25
Other Current Liabilities	7	7
Total Liabilities	**149**	**149**
Net Assets	**45**	**45**

48 Additional information, as required under Schedule III to the Companies Act, 2013, in respect of enterprises consolidated.

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount in INR Lakhs	As % of consolidated profit or loss	Amount in INR Lakhs	As % of consolidated other comprehensive income	Amount in INR Lakhs	As % of consolidated total comprehensive income	Amount in INR Lakhs
Parent								
Organic India Private Limited	72.42	17,839	32.42	103	100.00	291	64.75	394
Subsidiaries								
Foreign								
- Organic India USA LLC	11.60	2,857	(71.39)	(227)	-	-	(37.29)	(227)
- The Clean Program Corp.*	7.73	1,904	99.36	316	-	-	51.89	316
Non Controlling Interest	8.63	2,125	52.82	168	-	-	27.58	168
Associates								
- Nutriwel Health (India) Private Limited	(0.37)	(92)	(13.22)	(42)	-	-	(6.93)	(42)
Total	**100.00**	**24,633**	**100.00**	**318**	**100.00**	**291**	**100.00**	**609**

49 Impairment

The Group has not recognized any loss on impairment in respect of assets of the Company in terms of Indian Accounting Standard (Ind AS) 16 on "Property, Plant and equipment"/ Indian Accounting Standard (Ind AS) 36 on Ïmpairment of Assets" since in the opinion of the Management, as confirmed by the Board of Directors, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of the assets at the subsidiaries the impairment testing is based on the realizable value of underlying assets as reviewed and tested at the level of the Board of Directors at the subsidiary and as confirmed by the Board of Directors of the Company.

50 Due to Micro, Small And Medium enterprises as defined under the MSMED Act, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
	(Amount in INR Lakhs)	**(Amount in INR Lakhs)**
Principal amount due to micro and small enterprises	424	324
Interest due on above	-	-
Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the	-	-
amounts of payments made to supplier beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment (which have been	-	14
paid but beyond the appointed day) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid	-	23

51 Other notes

(a) From the year ended 31st March, 2015, the provisions pertaining to Corporate Social Responsibility (CSR) as prescribed under the Act are applicable to the Holding Company. The CSR committee of the Holding Company provides an oversight of CSR policy execution to ensure that CSR objectives of the Holding Company are met.

The financial details as sought by the Act are as follows:

(Amount in INR Lakhs)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Average net profits of the Holding Company for last three financial years	2,931	4,775
Prescribed CSR expenditure (2% of the average net profit)	59	96
Details of CSR expenditure during the year:		
Total amount to be spent for the financial year	59	96
Amount spent for the year	59	98

(b) Debit and credit balances of trade payables, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties.

(c) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Group other than Property, Plant & Equipment and non-current investments, and have come to a conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the balance sheet. On account of outbreak of Covid-19 impact, there may be certain delays in recoveries of Current Assets/ Loans and Advances but there is not likely to be any material reduction in values. Although Management expects a slowdown, there are no plans to downsize the Group's operations presently or in the near future.

(d) The Holding Company had transferred certain land for INR 331 Lakhs to Ganga Yamuna Agro Technologies and Plantation Private Limited (the Company in which director is interested) in the financial year 2012-13. The Holding Company is in the process of executing the sale deed for the said land.

"Signatures to Notes 1 to 51"

"AS PER OUR REPORT OF EVEN DATE"

ON BEHALF OF BOARD OF DIRECTORS

FOR A. PURI & ASSOCIATES **CHARTERED ACCOUNTANTS** **FIRM REGISTRATION NUMBER: 009203N**	**VIKRAM SINGH** **DIRECTOR** **DIN: 07153318** **PLACE:NEW DELHI** **DATE: 20 JULY 2021**	**SUBRATA DUTTA** **GROUP MANAGING DIRECTOR** **DIN: 02004997** **PLACE: NEW DELHI** **DATE: 20 JULY 2021**
JYOTI SUBARWAL **PARTNER** **MEMBERSHIP NUMBER: 080654** **PLACE: NEW DELHI** **DATE: 21 JULY 2021**	**ALOK KUMAR** **M.NO- A26369** **COMPANY SECRETARY** **PLACE:NEW DELHI** **DATE: 20 JULY 2021**	**VIKASH** **CHIEF FINANCIAL OFFICER** **PLACE:NEW DELHI** **DATE: 20 JULY 2021**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **ORGANIC INDIA PRIVATE LIMITED**

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ORGANIC INDIA PRIVATE LIMITED** (hereinafter referred to as the "Holding Company') and its subsidiaries (the Holding Company, its subsidiaries together referred to as 'the Group') and its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss(including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March 2020 and their consolidated profit and other comprehensive income, their consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to the audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance / conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether the Group has in place an adequate internal financial control system with reference to the financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

a) We did not audit the consolidated financial statements of an Overseas Wholly-Owned Subsidiary Company consolidated with its subsidiary, whose consolidated accounts have been modified and adapted to fit-for consolidation (FFC) based on the audited consolidated financial statements which reflect total assets of INR 10,700 lakhs as at 31st March, 2020 (Previous Year INR 10,663 lakhs), total revenues of INR. 16,838 lakhs (Previous Year INR. 15,894 lakhs) and net cash flows amounting to INR. (209.81) lakhs (Previous Year INR. 466 lakhs) and we also did not audit the financial statements of one of its domestic Subsidiary Company whose unaudited financial statements are certified by the management and which reflect total assets of INR 11.37 lakhs as at 31st August, 2020 (Previous Year INR 6 lakhs), total revenues of 1.91 lakhs (Previous Year Nil) and net cash flows amounting to INR. 1.43 lakhs/- (Previous Year INR. 0.73 lakhs/-) for the period ended on that date as considered in the consolidated Financial statements. The consolidated financial statements also include the Group's share of net loss of Rs 42.55 lakhs/- for the year ended 31st March 2020 (Previous year INR 7 lakhs) as considered in the consolidated financial statements in respect of its associates, whose financial statements have not been audited by us.

   These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the certified accounts/information received from the management of the Holding Company and reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss(including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;

e. On the basis of written representations received from the directors of Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies, associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2020, from being appointed as a Director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in ''Annexure-A''; and

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) the consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate.

   b) the Group, its associate has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   c) there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate entity.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654
UDIN:20080654AAAACU4844

Place: NEW DELHI
Date: 24th August 2020

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF ORGANIC INDIA PRIVATE LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2020

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act') as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls with reference to financial statements of ORGANIC INDIA PRIVATE LIMITED (hereinafter referred to as 'the Holding Company').In respect of its Subsidiary Companies which are companies incorporated in India and foreign subsidiaries, the audit of internal financial controls is not applicable as of that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI).

3. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

4. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company which is incorporated in India, based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ''Guidance Note'') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system with reference to financial statements of the aforesaid entities.

Meaning of Internal Financial Controls with reference to Financial Statements

7. A company's internal financial control 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 control with reference to financial statements includes those policies and procedures that:

    (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
    (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

9. In our opinion, the Holding Company which is incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal financial control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

For A PURI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 009203N

JYOTI SUBARWAL
PARTNER
Membership Number: 080654
UDIN:20080654AAAACU4844
Place: NEW DELHI
Date: 24th August 2020

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

ASSETS	**Notes**	**AS AT 31 MARCH 2020 (Amount in INR Lakhs)**	**AS AT 31 MARCH 2019 (Amount in INR Lakhs)**
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	3a	11,446	12,078
CAPITAL-WORK-IN PROGRESS	3a	52	319
GOODWILL ON CONSOLIDATION	3b	5,793	5,419
INTANGIBLE ASSETS	3b	1,470	1,553
INTANGIBLE ASSETS UNDER DEVELOPMENT	3b	68	49
RIGHT OF USE ASSETS	3c	3,236	-
FINANCIAL ASSETS			
INVESTMENT	4	2,153	1,351
LOANS	5	325	270
OTHERS	6	93	782
NON CURRENT INCOME TAX ASSETS (NET)	7	706	565
DEFERRED TAX ASSETS (NET)	8	-	166
OTHER NON-CURRENT ASSETS	9	135	233
TOTAL NON-CURRENT ASSETS		**25,478**	**22,785**
CURRENT ASSETS			
INVENTORIES	10	7,954	7,154
FINANCIAL ASSETS			
TRADE RECEIVABLES	11	8,518	7,924
CASH AND CASH EQUIVALENTS	12	3,213	2,051
BANK BALANCES OTHER THAN ABOVE	13	217	452
LOANS	14	122	61
OTHERS	15	20	14
OTHER CURRENT ASSETS	16	2,980	3,248
TOTAL CURRENT ASSETS		**23,024**	**20,904**
OPERATIONS	47	194	-
TOTAL ASSETS		**48,696**	**43,689**
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	17	8,019	7,992
OTHER EQUITY	18	12,848	13,571
NON CONTROLLING INTEREST		2,173	1,979
TOTAL EQUITY		**23,040**	**23,542**
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	19	4,617	6,378
OTHER FINANCIAL LIABILITIES	20	2,206	222
DEFERRED TAX LIABILITIES (NET)	8	52	-
OTHER NON CURRENT LIABILITIES	21	3	2
PROVISIONS	22	275	163
OTHER NON CURRENT LIABILITIES			
TOTAL NON- CURRENT LIABILITIES		**7,153**	**6,765**
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	23	8,015	5,319
TRADE PAYABLES	24		
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES		324	138
TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		4,167	2,543
OTHER FINANCIAL LIABILITIES	25	4,697	4,490
OTHER CURRENT LIABILITIES	26	1,134	879
PROVISIONS	27	17	13
			-
TOTAL CURRENT LIABILITIES		**18,354**	**13,382**
LIABILITIES DIRECTLY ASSOCIATED WITH DISCONTINUED OPERATIONS	47	149	-
TOTAL EQUITY AND LIABILITIES		**48,696**	**43,689**

THE NOTES 1 TO 52 FORMS AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

"AS PER OUR REPORT OF EVEN DATE"

FOR A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N

ON BEHALF OF BOARD OF DIRECTORS

JYOTI SUBARWAL
PARTNER
MEMBERSHIP NUMBER: 080654
PLACE: NEW DELHI
DATE: 24 AUG 2020

VIKRAM SINGH
DIRECTOR
DIN: 07153318
PLACE:NEW DELHI
DATE: 20 AUG 2020

DINESH KUMAR
DIRECTOR
DIN: 00124932
PLACE:LUCKNOW
DATE: 21 AUG 2020

ABHINANDAN DHOKE
CHIEF EXECUTIVE OFFICER
PLACE:NEW DELHI
DATE: 20 AUG 2020

ALOK KUMAR
M.NO-A26369
COMPANY SECRETARY
PLACE:LUCKNOW
DATE: 21 AUG 2020

VIKASH
CHIEF FINANCIAL OFFICER
PLACE:NEW DELHI
DATE: 20 AUG 2020

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	FOR THE YEAR ENDED 31 MARCH 2020 (Amount in INR Lakhs)	FOR THE YEAR ENDED 31 MARCH 2019 (Amount in INR Lakhs)
INCOMES			
REVENUE FROM OPERATIONS	28	34,485	33,617
OTHER INCOME	29	1,250	752
TOTAL INCOME		**35,735**	**34,369**
EXPENSES			
COST OF MATERIALS CONSUMED	30	8,321	5,704
CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK IN PROGRESS	31	(1,621)	(120)
PURCHASES FOR RESALE		2,847	2,837
EMPLOYEE BENEFITS EXPENSE	32	5,435	5,998
FINANCE COSTS	33	1,122	467
DEPRECIATION AND AMORTISATION EXPENSE	3	2,025	553
OTHER EXPENSES	34	16,789	15,059
TOTAL EXPENSES		**34,918**	**30,498**
PROFIT FROM CONTINUING OPERATIONS BEFORE SHARE OF ACCUMULATED PROFIT/(LOSS) IN ASSOCIATE COMPANIES, EXCEPTIONAL ITEMS AND TAX		**817**	**3,872**
SHARE OF ACCUMULATED PROFIT/(LOSS) IN ASSOCIATE COMPANIES		(44)	(7)
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX EXPENSE		**773**	**3,865**
TAX EXPENSE:			
CURRENT TAX		(211)	(1,208)
EARLIER YEARS TAX	35	9	-
DEFERRED TAX		40	(321)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (I)		**611**	**2,336**
(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS		(198)	(449)
PROFIT ON DISPOSAL OF SUBSIDIARY	47	9	-
TAX EXPENSE OF DISCONTINUED OPERATIONS		(157)	162
(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS (II)		**(346)**	**(287)**
PROFIT FOR THE YEAR (III= I+II)		**265**	**2,049**
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
ACTUARIAL GAIN/LOSS ON PROVISION FOR GRATUITY		(20)	3
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		5	(1)
SHARE OF OTHER COMPREHENSIVE INCOME /(LOSS) FROM ASSOCIATES		1	-
ITEMS THAT WILL BE RECLASSIFIED FROM PROFIT OR LOSS			
FOREIGN CURRENCY TRANSLATION DIFFERENCES		187	(69)
INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED FROM PROFIT OR LOSS		(96)	-
SHARE OF OTHER COMPREHENSIVE INCOME /(LOSS) FROM ASSOCIATES		-	-
TOTAL OTHER COMPREHENSIVE INCOME		77	(67)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**342**	**1,982**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		161	2,007
NON-CONTROLLING INTERESTS		104	41
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		77	(67)
NON-CONTROLLING INTERESTS		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		238	1,939
NON-CONTROLLING INTERESTS		104	41
EARNINGS PER EQUITY SHARE	37		
BASIC		0.54	2.81
DILUTED		0.54	2.80
EARNINGS PER EQUITY SHARE - DISCONTINUED OPERATIONS			
BASIC		(0.34)	(0.28)
DILUTED		(0.34)	(0.28)
EARNINGS PER EQUITY SHARE - CONTINUING AND DISCONTINUED OPERATIONS			
BASIC		0.20	2.53
DILUTED		0.20	2.53

THE NOTES 1 TO 52 FORMS AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

"AS PER OUR REPORT OF EVEN DATE"

FOR A PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N

ON BEHALF OF BOARD OF DIRECTORS

JYOTI SUBARWAL
PARTNER
MEMBERSHIP NUMBER: 080654

PLACE: NEW DELHI
DATE: 24 AUG 2020

VIKRAM SINGH
DIRECTOR
DIN: 07153318
PLACE:NEW DELHI
DATE: 20 AUG 2020

DINESH KUMAR
DIRECTOR
DIN: 00124932
PLACE:LUCKNOW
DATE: 21 AUG 2020

ABHINANDAN DHOKE
CHIEF EXECUTIVE OFFICER

PLACE:NEW DELHI
DATE: 20 AUG 2020

ALOK KUMAR
M.NO-A26369
COMPANY SECRETARY
PLACE:LUCKNOW
DATE: 21 AUG 2020

VIKASH
CHIEF FINANCIAL OFFICER
PLACE:NEW DELHI
DATE: 20 AUG 2020

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2020

		FOR THE YEAR ENDED 31 MARCH 2020 (Amount in INR Lakhs)	FOR THE YEAR ENDED 31 MARCH 2019 (Amount in INR Lakhs)
A.	**Cash flow from operating activities**		
	Net profit before tax but after exceptional items from continuing operations	773	3,864
	Net loss before tax but after exceptional items from discontinuing operations	(189)	(449)
	Adjustments for non-cash items:		
	Depreciation and amortisation	2,050	558
	Employee Stock Option Compensation Expense	6	68
	Interest expense	971	467
	Interest expense on lease liability	158	-
	Interest income	(182)	(88)
	Loss on fixed assets sold/ discarded (net)	3	140
	Loss on sale of Govt Scrips	3	2
	Obsolete Stock written off	131	60
	Bad debts / advances written off	89	73
	Excess Provision Written Back	(32)	(250)
	Notional rent expense recognised	-	9
	Loss/(gain) arising on Derivatives measured at FVTPL	370	-
	Net (Gain)/ Loss arising on financial assets measured at FVTPL	(749)	(117)
	Share of accumulated profit / (loss) in associate company	44	7
	Provision for Expiry	155	-
	Provision/ Liability no longer required written back	(13)	(7)
	Provision for doubtful advance created/ (written back)	331	38
	Provision for Sales Tax Form Written Back	-	(1)
	Provision for asset retirement obligation written back	(1)	0
	Provision for Non Moving Inventory Created/ (Written Back)	(88)	210
	Provision for gratuity & leave encashment	76	44
	Operating profit before working capital changes	**3,906**	**4,629**
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	(1,014)	(1,988)
	(Increase)/decrease in inventories	(843)	(1,652)
	(Increase)/decrease in loans	(133)	(130)
	(Increase)/decrease in other assets	(7)	(1,159)
	Increase/(decrease) in trade payables	1,813	984
	Increase/(decrease) in financial liabilities	(321)	613
	Increase/(decrease) in other liabilities	231	463
	Effect of Foreign Exchange Translation (Other than Fixed Assets)	(277)	(52)
	Cash generated from/(used in) operations	**3,355**	**1,708**
	Taxes (paid) / received (net of withholding taxes)	(367)	(1,350)
	Net cash from/(used in) operating activities	**2,988**	**358**
B.	**Cash flow from investing activities**		
	Purchase of fixed assets (including capital work- in- progress)	(1,571)	(4,246)
	Proceeds from sale of fixed assets (including insurance claim rec.)	1	48
	Government Grant Received	230	-
	Proceeds from sale of non-current investments	16	921
	Purchase of investments	-	(1,241)
	Investments in bank deposits (with original maturity over 3 months)	235	708
	Proceeds from bank deposits (with original maturity over 12 months)	724	(230)
	Interest received (revenue)	102	260
	Net cash from/(used in) investing activities	**(263)**	**(3,780)**
C.	**Cash flow from financing activities**		
	Proceeds from short-term borrowings	2,428	3,159
	Proceeds from long-term borrowings	(1,575)	(1,077)
	Proceeds from long-term borrowings	47	-
	Proceeds From Issue Of Shares (Including Share Premium)	27	1,725
	Principal Portion of Lease Liability Paid	(681)	-
	Interest Portion of Lease Liability paid	(158)	-
	Proceeds From Non-controlling Interest	1	(1,910)
	Interest paid	(950)	(477)
	Dividend paid	(802)	(851)
	Dividend tax paid	(165)	(161)
	Net cash from/(used in) financing activities	**(1,828)**	**408**
	Net increase/(decrease) in cash & cash equivalents	**897**	**(3,014)**
	Cash & cash equivalents - opening balance	1,571	4,207
	Cash & cash equivalents acquired on account of acquisitions	-	378
	Cash & cash equivalents - closing balance	2,468	1,571
	Net increase/(decrease) in cash & cash equivalents	**897**	**(3,014)**

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2020

Notes

1. The above cash flow statement has been prepared under the indirect method set out in Ind AS-7 "Statement of Cash Flows".
2. Figures in brackets indicates cash outflow.
3. Cash and cash equivalents at the end of the year consist of the following:

	FOR THE YEAR ENDED 31 MARCH 2020	**FOR THE YEAR ENDED 31 MARCH 2019**
Cash on hand	512	695
Cheque in hand	-	1
Balance with banks		
- in current accounts	2,700	1,011
Deposits with maturity of less than three months	3	344
Bank overdrafts used for cash management purpose	(747)	(480)
Total cash and cash equivalents	**2,468**	**1,571**

"AS PER OUR REPORT OF EVEN DATE"

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DATE: 20 AUG 2020

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2020

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(Amount in INR Lakhs)

Particulars	Amount
Balance as at 1 April 2018	7,819
Changes in Equity Share Capital during the year	173
Balance as at 31 March 2019	7,992
Changes in Equity Share Capital during the year	27
Balance as at 31 March 2020	8,019

B. OTHER EQUITY

(Amount in INR Lakhs)

Particulars	Reserves & Surplus				Other Comprehensive Income		Attributable to the owners of the parent	Non Controlling Interest	Total
	Securities Premium	General Reserve	Stock Option Outstanding	Retained Earnings*	Remeasurements of the net defined benefit Plans (Net of tax)	Foreign Currency Translation Reserve			
Balance as at 1 April 2018	129	163	55	10,419	3	296	11,065	28	11,093
Less Effect of adoption of new standards	-	-	-	(50)	-	-	(50)		(50)
Restated balance as at 1st April 2018	129	163	55	10,369	3	296	11,015	28	11,043
Profit for the year	-	-	-	2,007	-	-	2,007	41	2,048
Share of non-controlling interest on issue of share capital by subsidiary	-	-	-	-	-	-	-	1,910	1,910
Employee Stock Options Compensation (Refer Note No. 47)	-	-	76	-	-	-	76	-	76
Addition on account of issue of equity shares under Employees Share Purchase Scheme	60	-	(60)	-	-	-	-	-	-
Addition on account of issue of equity shares	1,552	-	-	-	-	-	1,552	-	1,552
Transfer to General Reserve on cancellation of options issues under Employees Stock Option Plan	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings	-	1	-	(1)	-	-	-	-	-
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	2	-	2	-	2
Other Comprehensive Income	-	-	-	-	-	(69)	(69)	-	(69)
Total Comprehensive Income for the year	1,612	1	16	2,006	2	(69)	3,568	1,951	5,519
Dividends (including Corporate Dividend Tax)	-	-	-	(1,012)	-	-	(1,012)	-	(1,012)
Balance as at 31 March 2019	1,741	164	71	11,363	5	227	13,571	1,979	15,550
Profit for the year	-	-	-	161	-	-	161	104	265
Share of non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-
							-		-
Employee Stock Options Compensation (Refer Note No. 47)	-	-	6	-	-	-	6	-	6
Addition on account of issue of equity shares under Employees Stock Option Plan	76	-	(76)	-	-	-	-	-	-
Transfer to General Reserve on cancellation of options issues under Employees Stock Option Plan	-	2	(2)	-	-	-	-	-	-
Transfer from Retained Earnings	-	1	-	(1)	-	-	-	-	-
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	-	(14)	-	(14)	0	(14)
Other Comprehensive Income**	-	-	-	-	-	91	91	90	181
Total Comprehensive Income for the year	76	3	(72)	160	(14)	91	244	194	438
Dividends (including Corporate Dividend Tax)	-	-	-	(967)	-	-	(967)	-	(967)
Balance as at 31 March 2020	1,817	167	(1)	10,556	(9)	318	12,848	2,173	15,021

ORGANIC INDIA PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2020

STATEMENT OF CHANGES IN EQUITY

Notes

*Retained earnings includes INR 214 lakhs/- transferred from revaluation reserve on adoption of deemed cost on transition to Ind AS as it is not eligible for dividend being not in the nature of free reserves. Out of the said amount, the difference between depreciation provided on revalued amount and historical cost has been transferred to General Reserve amounting to INR 2 lakhs/- up to 31st March 2020 (31st March 2019: INR 2 lakhs/-)

** Other Comprehensive income for the Non Controlling represents the exchange translation of the amount of Non Controlling Interest based on the consolidated financial statements of Organic India USA LLC with its subsidiary Clean Program Corp.

THE NOTES 1 TO 52 FORMS AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Company Overview

ORGANIC INDIA PRIVATE LIMITED ('the Holding Company') domiciled in India was incorporated under the provisions of the Companies Act, 1956, on 17th February 1997. The Holding Company, its subsidiaries and its associates are jointly referred to as “Group”.

The Holding Company is engaged in the business of processing, manufacturing and marketing of certified organic Tulsi herbal infusions, herbal supplements, Ayurvedic medicines and other organic food products and spices. During the year, the Holding Company has shifted from Trading to solely Contract Manufacturing of certain Finished Goods.

During the year, the Department of Economic Affairs, Ministry of Finance has issued the Foreign Exchange Management (Non-Debt Instruments) (Amendment) Rules, 2019 on 05th December 2019 where under FDI upto 100% has been allowed in contract manufacturing activity under the automatic route. Manufacturing activities may be either self-manufacturing by the investee entity or contract manufacturing in India through a legally tenable contract, whether on principal to principal or principal to agent basis. Prior to the introduction of the said rules, there was no separate provision related to FDI in contract manufacturing under the consolidated FDI policy. With the introduction of these rules, the Holding Company’s current activities are fully covered within the ambit of manufacturing (including contract manufacturing) for which FDI upto 100% is permissible under the automatic route.

The subsidiary/Associates considered in these consolidated financial statements are as below: -

a) Organic India USA LLC, a wholly owned subsidiary company domiciled in United States of America which is engaged in the marketing and the trading of the organic products.

b) The Clean Program Corp, a subsidiary company of Organic India USA, LLC domiciled in United States of America. Organic India USA, LLC owns 50.01% of its voting power as on 31st March 2020 which is engaged in manufacturing (through co-manufacturers) and sells supplements and protein shakes direct-to-consumer through its website.

c) Composite Interceptive Med-Science Laboratories Private Limited, a subsidiary company domiciled in India. The Holding Company owns 80% of its voting power as on 31st March 2020. The subsidiary is engaged in scientific research and development activities. The Holding Company has entered in to an agreement on 12th March 2020 for transfer of its entire holding in the subsidiary and the said sale has been executed on 4th April 2020.

d) Godwar Farmers Collective Private Limited, subsidiary company domiciled in India. The Holding Company owns Nil % of its voting power as on 31st March 2020 (31st March 2019- 84.21%). The subsidiary is engaged in the business of procurement and sale of various products. The Company has sold its entire shareholding held in the subsidiary on 31st August 2019.

e) Nutriwel Health (India) Private Limited, deemed associate domiciled in India. The Holding Company owns 11% of its voting power as on 31st March 2020. The associate is engaged in the business of general medical consultancy aimed at weight loss, enhancement of health and fitness status, general wellbeing and improving the quality of life of individuals.

The Group consolidated financial statements were approved and authorized for issue by the Holding Company’s Board of Directors on 19th August 2020

1. Basis for Preparation, Measurement and Significant Accounting Policies

A. Basis of preparation of financial statements and Statement of Compliance

These consolidated financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified).The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these consolidated financial statements

B. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

C. Principles of Consolidation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 (Ind AS-110) – "Consolidated Financial Statements" and Indian Accounting Standard 28 (Ind AS-28) – "Investment in Associates and Joint Ventures". These Consolidated financial statements comprise the standalone financial statements of Holding Company and the following subsidiaries: -

Name of the Company	Country of Incorporation	Holding (%)	
		As at 31.03.2020	As at 31.03.2019
Organic India USA LLC	USA	100.00%	100.00%
The Clean Program Corp (w.e.f. 25th April, 2018) (Subsidiary through Organic India USA, LLC i.e. 100% of 50.01%)	USA	50.01%	50.01%
Composite Interceptive Med-Science Laboratories Private Limited*	India	80.00%	80.00%
Godwar Farmers Collective Private Limited (up to 31st August 2019)	India	Nil	84.21%

*Considered as a Discontinued operation as per Ind AS-105 as the said investment has been held for sale in pursuance of the agreement entered by the Holding Company on 12th March 2020 for sale of the entire shareholding held in the subsidiary.

and the following associates:

Name of the Company	Country of Incorporation	Holding (%)	
		As at 31.03.2020	As at 31.03.2019
Nutriwel Health (India) Private Limited (w.e.f. 6th March 2019)*	India	11.00%	11.00%

*Deemed Associate by way of exercising of significant influence through representation of one third of voting power on the board of Nutriwel Health (India) Private Limited.

Control is achieved when the Company is exposed to or has right to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The result of the subsidiaries and associates acquired or disposed off during the year are included in the consolidated financial statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Wherever necessary, adjustments are made to the financial statements of subsidiaries and associates to bring their accounting policies in line with those used by other members of the Group.

The Consolidated financial statements have been prepared on the following basis:

- the standalone financial statements of the Holding Company, consolidated financial statements of Organic India USA, LLC, its wholly owned foreign subsidiary, standalone financial statements of Composite Interceptive Med-Science Laboratories Private Limited, its Indian subsidiary company and Godwar Farmers Collective Private Limited, its Indian subsidiary company have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions, if any.

- The difference between the cost of investment in the subsidiaries and the Holding Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

- These financial statements are prepared by applying uniform accounting policies in use at the Group.

- Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest on non-controlling shareholders may be initially measure either at fair value or at the non-controlling interests proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interest even if it results in the non-controlling interest having a deficit balance.

- Associates are those enterprises over which the Group has significant influence but does not have control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairement charges, if any.

- When the Group's share of losses exceeds the carrying value of the associate, the carrying value of its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate) is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

D. Business Combination

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognized in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognized as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. If the net fair value of the identifiable assets and liabilities, exceed the cost of acquisition, the excess is recognized as Capital reserve on consolidation.

E. Critical accounting judgements and key source of estimation uncertainty

The preparation of these financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies and that have the significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Employee Benefits:
Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note 44.

(ii) Taxes on Income

Income Tax:
Tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Group adjusts taxability of amounts in accordance with tax enactments, case law and opinions of tax counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

Deferred Tax:
Deferred Tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised and are reviewed at each reporting date and reduced to the extent it is no longer probable that related tax benefit well be realised.

(iii) Assets retirement obligation (ARO):

The liability for assets retirement obligation are recognized when the Group has obligation to perform store/shop restoration activity. The recognition and measurement of ARO involves the use of estimates and assumptions which includes the timing of handing over the licensed premises which would depend upon the lease period, the carpet area and pre-tax rate applied for discounting.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Depreciation/ amortization/impairment, useful lives and residual value of Property, Plant and Equipment/ Intangible Assets:

Property, Plant and Equipment / Intangible Assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

(vi) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(vii) Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

(viii) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared as a global pandemic by the World Health Organisation with adverse impact on economy and businesses. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states/countries followed by the lockdowns to stem the spread of COVID-19. Due to this the operations of the Group got temporarily disrupted.

In light of these circumstances, the Group has considered the possible impact that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information and based on current estimates the Group expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

F. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS-1 – "Presentation of Financial Statements" based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Group has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

G. Significant Accounting Policies

(a). Property, Plant and Equipment

(i) On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment. The revalued amount of buildings as on 1st April, 2016 considered to be the deemed cost is depreciated, using Straight Line Method, over the remaining useful life and the difference between depreciation provided on revalued amount and on historical cost is transferred from retained earnings to general reserve.

(ii) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, interest cost up to the date of construction, construction and expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are charged to the Statement of Profit and Loss when incurred.

(iii) The Group has adopted component accounting, wherever applicable, and identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over the lower of the useful life of the component and that of the principal asset; the remaining asset is depreciated over the life of the principal asset.

(iv) Depreciation is recognized on a Straight-line basis over the useful life as specified under Schedule II of the Act, and given below except for leasehold improvements being considered as part of building and depreciated over the period of 30 years as leases will be renewed and kept for longer period.

Particulars	Useful Life
Building-Non RCC Structure	30 Years
Leasehold Premises	Over the period of lease
Furniture & Fixtures	10 Years
Plant and Equipments	3 Years to 15 Years
Office Equipment’s	5 Years
Electrical Installation and Equipment (Including air conditioner and cooling equipments)	10 Years
Vehicle	8 Years
Computers	3 Years

Double shift Depreciation is provided for the eligible assets as per Schedule II of the Act wherever applicable.

(v) The residual value of all depreciable assets, being negligible, except in case of building, is estimated at Nil. The residual value of building is considered at 5% of cost.

(vi) Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation for perpetuity. Holding Company has depreciated its leasehold property over the period of 90 years retrospectively.

(vii) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(viii) Cost of Property, Plant and Equipment not ready for intended use on the date of balance sheet are disclosed as “Capital Work- in- Progress”.

(b). Intangible Assets

(i) On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the intangible assets.

(ii) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably in accordance with the notified Ind AS– 38 on “Intangible Assets”.

(iii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

(iv) Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis, from the date that they are available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization methods and useful lives are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(v) Amortization is calculated using straight line method to allocate cost over the useful economic life of the assets mentioned below:

Particulars	**Useful Life**
Computer Software	5 Years
Trade Mark (Except for Patents which has been taken as infinite)	10 Years

(c). Impairment of Non-Financial Assets- property, plant and equipment and intangible assets

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount (i.e. higher of fair value less cost of disposal and value in use) of the asset is estimated, or, when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is estimated. If the recoverable amount of the asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized in the Statement of Profit and Loss.

The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(d). Right of Use Asset(ROU)/Leases

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right-of-use-assets (ROU assets) and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature.

Effective April 1, 2019, the Group has adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective Approach under which the Lease liabilities are recognized based on incremental borrowing rate on the initial application date i.e. 1st April, 2019 and same amount is recognized for ROU assets. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group has applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on the lease liability and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss.

The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the ROU asset. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease income from operating leases where the Group is a lessor is recognized as income on a straight-line basis over the lease term.

(e). Financial Instruments

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

(i) Financial Assets

Financial assets include investments, trade receivables, advances other than trade and capital related, security deposits and cash and cash equivalents.

Initial Recognition and Measurement

All financial assets are initially recognized at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition of financial assets. Purchase and sale of financial assets are recognized using trade date accounting.

Subsequent Measurement

i. Financial Assets carried at Amortized Cost:
A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial Assets at Fair Value through Other Comprehensive Income (FVOCI):
A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial Assets at Fair Value through Profit and Loss (FVTPL):
A financial asset which is not classified in any of the above categories is measured at fair value through profit and loss.

Investment in Associates

The Group has accounted for its investments in equity shares in its associates at cost.

Other Investments

All other investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the fair value changes in ‘Other Comprehensive Income’.

Impairment of Financial Assets

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and financial assets measured at FVOCI - debt investments. At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is ‘credit- impaired ‘when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

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

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realizations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and charged to the Statement of Profit and Loss. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

(ii) Financial Liabilities

Financial liabilities primarily comprise of borrowings, trade payables and deposits.

Initial Recognition and Measurement

At initial recognition all financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Financial Liabilities also includes the derivative financial instruments entered in to by the Company that are carried at fair value through profit and loss.

(iii) Derecognition of Financial Instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS-109 “Financial Instruments”.

A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss except in case where Holding and subsidiary relationship exists, where it is adjusted against equity or in the statement of profit and loss proportionately based on the initial recognition of the said liability.

(f). Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(g). Inventories

Inventories (including stock-in-transit) are stated at lower of cost being ascertained on weighted average cost basis and net realizable value. Cost of Finished goods includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Work-in-Progress is valued at cost based on stage completion.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

No valuation is done for damaged stock since its realizable value, if any, is negligible.

In the consolidated financial statements, unrealized profits on the inventories lying with the subsidiaries and associates has been adjusted.

(h). Foreign Currencies Transactions and Translations

The functional currency of the Holding Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains and losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Statement of Profit or Loss are also recognized in Other Comprehensive Income or Statement of Profit or Loss, respectively).

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Translation of financial statements of foreign entities:

On consolidation, the assets and liabilities of foreign operations are translated into ` (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of Profit & Loss as other comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

(i). Revenue form Contracts with Customers

The Holding Company derives revenues primarily from sale of manufactured goods, traded goods (up to 31st October 2019) and related services. Post 31st October 2019, the Holding Company has also started contract manufacturing activities.

The Group has adopted Indian Accounting Standard 115 (Ind AS 115) – 'Revenue from contracts with customers' which has been effective from 1st April, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted.

i) Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from Sale of Products or Services are recognised at a point of time on which the performance obligation is satisfied.

ii) Insurance claims/Government Claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the Insurance Companies/Government Authorities.

iii) Dividend income from investments is recognized when the Group's right to receive payment is established.

iv) Interest income is accounted for by using effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets. When calculating the effective interest rate, the Group estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(j). Government Grants

Grants received from Government are recognised when there is a reasonable assurance that the grant will be received upon by the Group complying with the conditions attached to the grant.

Accordingly, government grants:
(a). related to or used for assets, are deducted from the carrying amount of the asset.
(b). related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
(c). by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss except in case of grant related to assets shall be recognized by increasing the carrying amount of the asset and cumulative depreciation that should have been recognized in Statement of Profit & Loss to date in the absence of grant shall be recognized immediately.

Export incentives are accounted for on accrual basis as and when processed and admitted by the concerned authorities. Income on sale of import licenses is accounted for at the time of sale due to uncertainties involved. However, all losses on account of such sales affected before the finalization of accounts have been accounted for following the conservative accounting principle

(k). Employee Benefits

(i) Short-Term Employee Benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

(ii) Post-Employment Benefits

Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.
The Group makes specified monthly contribution towards Provident Fund. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.
All employees are covered under Employees' Gratuity Scheme which is a defined benefit plan. The Holding Company contributes to an approved Employees' Gratuity Fund maintained on behalf of the Holding Company which is subsequently paid by the fund to the Life Insurance Corporation of India as per actuarial valuation. The shortfall in payment, if any, from actuarial valuation is provided for in the accounts.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognised in the balance sheet.

Defined benefit costs are recognised as follows:
a) Service cost in the statement of profit and loss
b) Net interest on the net defined benefit liability (asset) in the statement of profit and loss
c) Remeasurement of the net defined benefit liability / (asset) in other comprehensive income

Compensated leave of absence
Accrual for leave encashment benefit is based on actuarial valuation as on the date of balance sheet in pursuance of the Holding Company's leave rules.

(l). Share-Based Payments

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date in accordance with Ind AS 102, Share-Based Payment. The details regarding determination of the fair value of equity-settled share-based payments transactions are set out in Note No 45.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Holding Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Holding Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(m). Tax Expenses

Tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

(n). Earnings Per Equity Share

Basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Holding Company as adjusted by the after tax amount of dividends and interest recognised in the period in respect of dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(o). Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Assets retirement obligation (ARO)

The Group records a provision for assets retirement obligation towards store/ shop restoration activity. Assets retirement obligation are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill ARO and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(p). Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(q). Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under Short Term Borrowings in the Balance Sheet but netted off against cash and cash equivalent in Cash Flow Statement.

(r). Dividend Distribution

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Holding Company's Board of Directors.

(s). Research and Development

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss.

Development costs of products are also charged to the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Expenditure on development activities in relation to formulations is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

(t). 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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy classifies the inputs used to measure fair value into three levels, which are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Unobservable inputs for the asset or liability.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(u). Derivative financial instruments

The Group uses derivative financial instruments such as cross currency swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financials instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(v). Borrowing Costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS-23 – "Borrowing Costs" are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

(w). Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the standalone balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

i) Represents a separate major line of business or geographical area of operations, or

ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, Or

iii) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss.

(x). Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

On 24 July 2020, the Ministry of Corporate Affairs (MCA) has notified new Company (Indian Accounting Standards) Amendment Rules, 2020 also carried out amendments to the following accounting standards

a. Ind AS 1 Presentation of Financial Statements – The amendment substitutes the definition of term 'Material' which shall be applicable prospectively for the annual periods on or after 1 April 2020.

b. Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments made in order to maintain consistency with Ind AS 1, the respective changes have been made to Ind AS 8 also.

c. Ind AS 10 Events after the Reporting Period – The amendment clarifies the disclosures requirements to be made in case of a material non- adjusting event.

d. Ind AS 34 Interim Financial Reporting – In order to maintain consistency with the amendments made in other Ind AS,

e. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets – The amendment clarifies the accounting treatment for restructuring plans.

f. Ind AS 103 Business Combination – The amendment provides the detailed guidance on term 'Business' and 'Business Combination' along with providing an Optional test to identify concentration of Fair Value.

g. Ind AS 107 Financial Instruments: Disclosures – The amendment clarifies the certain disclosures to be made in respect of uncertainty arising from interest rate benchmark reforms.

h. Ind AS 109 Financial Instruments – The amendment clarifies the temporary exceptions from applying specific hedge accounting requirements along with providing guidance on transition for hedge accounting.

i. Ind AS 116 Leases – The amendment clarifies whether rent concessions as a direct consequence of COVID- 19 pandemic can be accounted as lease modification or not.

Application of above standards are not expected to have any significant impact on the Company's standalone financial statements. However, the Company has adopted the changes in Ind AS-116 on Leases as above for the year ended 31st March 2020 as notified.

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

3a. Property, Plant And Equipment and Capital Work In Progress

a. Reconciliation of carrying amount

(Amount in INR Lakhs)

	Freehold land	Leasehold land	Building#	Leasehold improvements*	Furniture and fixtures	Display Equipment	Office equipment	Plant and Equipments	Vehicles	Networks and Servers	Computers	Total Tangible Assets	Total Capital work-in-progress
Gross carrying value													
As at April 01, 2018	1,596	764	147	127	211	58	126	1,759	20	-	189	**4,997**	3,286
Add: Adjustment on Revaluation	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Add: Additions made during the year	-	-	4,222	258	130	-	37	3,661	-	1	34	8,343	5,030
Add: Acquisition on Business Combination	-	-	-	-	1	-	-	-	-	-	-	1	-
Add: Foreign Currency Translation Reserve	-	-	-	4	7	3	7	-	-	-	6	27	-
Less: Reclassification to assets as held for sale *	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Disposals /adjustments during the year	-	-	-	22	-	12	20	198	-	-	-	**252**	7,997
As at March 31, 2019	**1,596**	**764**	**4,369**	**367**	**348**	**49**	**150**	**5,222**	**20**	**1**	**229**	**13,115**	**319**
Add: Additions made during the year	12	-	23	226	225	22	45	685	0	-	147	**1,385**	612
Add: Acquisition on Business Combination	-	-	-	-	-	-	0	-	-	-	0	**-**	-
Add/Less: Reclassified on account of adoption of Ind AS 116 "Leases"	-	(764)	-	-	-	-	-	-	-	-	-	**(764)**	-
Add: Foreign Currency Translation Reserve	-	-	-	3	7	4	6	-	-	-	6	**26**	-
Less: Reclassification to assets as held for sale *	-	-	-	39	16	-	-	26	-	1	3	**85**	-
Less: Disposals / adjustments during the year	-	-	159	3	15	16	19	-	-	-	44	**256**	879
As at March 31, 2020	**1,608**	**-**	**4,233**	**554**	**549**	**59**	**182**	**5,881**	**20**	**-**	**335**	**13,421**	**52**
Accumulated depreciation and impairment losses													
As at April 01, 2018	-	13	56	35	75	32	54	321	16	-	114	**716**	-
Add: Depreciation charge for the year	-	9	23	56	29	6	17	196	2	-	40	**378**	-
Add: Acquisition on Business Combination	-	-	-	-	-	-	-	-	-	-	-	**-**	
Add: Foreign Currency Translation Reserve	-	-	-	1	4	3	3	-	-	-	4	**14**	-
Less: Reclassification to assets as held for sale	-	-	-	-	-	-	-	-	-	-	-	**0**	
Less: On disposals / adjustments during the year	-	-	-	10	-	10	2	49	-	-	-	**71**	-
As at March 31, 2019	**-**	**22**	**79**	**82**	**108**	**31**	**72**	**468**	**18**	**-**	**158**	**1,037**	**-**
Add/Less: Reclassified on account of adoption of Ind AS 116 "Leases"	-	(22)	-	-	-	-	-	-	-	-	-	**(22)**	-
Add: Depreciation charge for the year	-	-	140	132	47	6	27	639	2	1	57	**1,051**	-
Add: Acquisition on Business Combination	-	-	-	-	0	-	0	-	-	-	0	**0**	-
Add: Foreign Currency Translation Reserve	-	-	-	2	5	2	4	-	-	-	3	**17**	-
Less: Reclassification to assets as held for sale	-	-	-	6	2	-	-	4	-	1	1	**14**	
Less: On disposals / adjustments during the year	-	-	-	2	15	16	19	-	-	-	42	**94**	-
As at March 31, 2020	**-**	**0**	**219**	**208**	**143**	**23**	**84**	**1,103**	**20**	**-**	**175**	**1,975**	**-**
Net carrying value													
As at March 31, 2020	**1,608**	**(0)**	**4,014**	**346**	**406**	**37**	**98**	**4,778**	**-**	**-**	**160**	**11,446**	**52**
As at March 31, 2019	**1,596**	**742**	**4,290**	**285**	**240**	**19**	**78**	**4,754**	**2**	**1**	**71**	**12,078**	**319**

Notes

ORGANIC INDIA PRIVATE LIMITED
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FOR THE YEAR ENDED 31ST MARCH, 2020

3 Capital work in progress **(Amount in INR Lakhs)**

Particulars	As on 01-04-2018	Additions During the year	Capitalised during the year	As on 31-03-2019	Additions During the year	Capitalised during the year	As on 31-03-2020
Building Under Construction	1,481	2,429	3,904	6	18	12	12
Plant & Machinery under erection	1,533	1,704	2,958	279	309	560	28
Site Development Cost	-	-	-	-			
Furniture & Fixtures	-	97	97	-	65	65	-
Incidental Expenses Pending Capitalisation							
-Salaries and Wages	58	71		(15)	71	70	
-Contribution to Provident & Other funds	1	1	144	2	1	-	3
- Employees Stock Compensation Expenses	7	7		14	-	-	
-Interest Expense(net of income)	43	73	116	-	28	26	2
-Travelling & Coneyance	53	38	90	1	3	5	(1)
-Depreciation	10	0	10	(0)	23	21	2
-Legal & Professional	6	93	75	24	54	76	3
-(Gain) / Loss on Exchange Fluctuation	65	385	451	(1)	-	(1)	-
-Others	29	131	151	9	39	45	3
Total	**3,286**	**5,029**	**7,996**	**319**	**611**	**879**	**52**

4. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment as per the details given below:

(Amount in Lakhs)

As at April 01, 2016	Freehold land	Building	Leasehold improvements	Furniture and fixtures	Display Equipment	Office equipment	Plant and Equipments	Vehicles	Computers	Total Tangible Assets
Gross carrying value	1,592	132	22	130	38	75	927	23	171	3,110
Less: Accumulated Depreciation	-	40	9	73	22	57	412	15	136	764
Net carrying value	**1,592**	**92**	**13**	**57**	**16**	**18**	**515**	**8**	**35**	**2,346**

ORGANIC INDIA PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

3b. Intangible assets

a. Reconciliation of carrying amount

(Amount in INR Lakhs)

	Computer Software	Product Formulations	Website Design	Trademarks	Total Intangible Assets	Goodwill on consolidation	Total Intangible Assets (Including Goodwill)	Total Intangible Assets under Develpoment
Gross carrying value								
As at April 01, 2018	368	-	28	36	432	2,960	3,392	114
Add: Additions made during the year	28	121	10	1,222	1,381	2,472	3,853	42
Add: Acquisition on Business Combination	-	-	60	-	60	-	60	
Add: Foreign Currency Translation Reserve	5	-	2	(4)	3	(13)	(10)	0
Less: Disposals /adjustments during the year	-	-	-	-	-	-	-	107
As at March 31, 2019	**401**	**121**	**100**	**1,254**	**1,876**	**5,419**	**7,295**	**49**
Add: Additions made during the year	8	-	42	-	50	-	50	20
Add: Acquisition on Business Combination	-	-	-	-	-	-	-	-
Add: Foreign Currency Translation Reserve	4	-	9	95	108	385	493	-1
Less: Reclassification to assets as held for sale *	0	-	-	-	0	-	0	-
Less: Disposals / adjustments during the year	41	-	20	-	61	11	72	-
As at March 31, 2020	**372**	**121**	**131**	**1,349**	**1,973**	**5,793**	**7,767**	**68**
Accumulated depreciation and impairment losses								
As at April 01, 2018	82	-	19	34	135	-	135	-
Add: Depreciation charge for the year	60	-	8	112	180	-	180	-
Add: Foreign Currency Translation Reserve	5	-	1	2	8	-	8	-
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-
As at March 31, 2019	**147**	**-**	**28**	**148**	**323**	**-**	**323**	**-**
Add: Amortisation / Impairement charge for the year	65	-	27	125	217	-	217	-
Add: Foreign Currency Translation Reserve	3	-	3	18	24	-	24	-
Less: Reclassification to assets as held for sale	0	-	-	-	0	-	0	
Less: On disposals / adjustments during the year	41	-	20	-	61	-	61	-
As at March 31, 2020	**174**	**-**	**38**	**291**	**503**	**-**	**503**	**-**
Net carrying value								
As at March 31, 2020	**198**	**121**	**93**	**1,058**	**1,470**	**5,793**	**7,264**	**68**
As at March 31, 2019	**254**	**121**	**72**	**1,106**	**1,553**	**5,419**	**6,972**	**49**

Notes

1. Goodwill on consolidation represents :	31st March 2020	31st March 2019
	(Amount in INR Lakhs)	
- on acquisition of 100% shares of Organic Indi a USA LLC.	3,359	3,146
- on acquisition of 50.01% shares of Clean Program Corp. by Organic Indi a U	2,434	2,262
- on acquisition of 84.21% shares of Godwar Farmers Collective Private Limited	11	11
- Deletion on the disposal of Godwar Farmers Collective Private Limited	(11)	-
	5,793	5,419

2. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the Intangible Assets as per the details given below:

As at April 01, 2016	Computer Software	Website Design	Trademarks	Goodwill on consolidation		Total Tangible Assets
Gross carrying value	88	18	37	3,012		3,155
Less: Accumulated Depreciation	62	18	33	-		113
Net carrying value	**26**	**-**	**4**	**3,012**		**3,042**

Note 3C - RIGHT OF USE ASSETS

(Amount in INR Lakhs)

	Leasehold Land	Leasehold Premises	Total Right Of Use Assets
Gross Carrying Value			
As at April 01, 2018	-	-	-
Add: Additions made during the year	-	-	-
Add: Foreign Currency Translation Reserve	-	-	
Less: Disposals /Adjustments during the year	-	-	-
As at March 31, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 “Leases”	742	-	742
Add: Additions on account of transition to Ind AS 116 "Leases	-	1,805	1,805
Add: Additions made during the year	-	1,522	1,522
Add: Foreign Currency Translation Reserve	-	67	67
Less: Reclassification to assets as held for sale *	-	88	88
Less: Disposals / Adjustments during the year	-	3	3
As at March 31, 2020	742	3,305	4,047
Accumulated Depreciation			
As at April 01, 2018	-	-	-
Add: Depreciation charge for the year	-	-	-
Add: Foreign Currency Translation Reserve	-	-	-
Less: On Disposals / Adjustments during the year	-	-	-
As at March 31, 2019	**-**	**-**	**-**
Add: Depreciation charge for the year	8	798	806
Add: Foreign Currency Translation Reserve	-	20	20
Less: Reclassification to assets as held for sale *	-	15	15
Less: On Disposals / Adjustments during the year	**-**	0	0
As at March 31, 2020	8	803	811
Net Carrying Value			
As at March 31, 2020	**734**	**2,502**	**3,236**
As at March 31, 2019	**-**	**-**	**-**

Notes:

1. Leasehold land is acquired under finance lease from Uttar Pradesh State Industrial Development Corporation. Hence the Holding Company has depreciated its leasehold land over the period of 90 years retrospectively. There is no future obligation/lease payment to be made in relation to finance lease mentioned above. Accordingly, there is no reconciliation between future minimum lease payments and their present value as on 31st March 2020.

2. Leasehold Premises represent properties taken on lease for its offices, retail outlets and warehouses accounted for in accordance with principles of Ind AS 116 ‘Leases’.

3. Ind AS 116 Leases:

(i) The Group’s lease asset primarily consist of leases for land and buildings for retail outlets, offices and warehouses having the different lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured Right of Use Assets at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments. This has resulted in recognising Right of Use Assets and lease liability of 1,805 lakhs/- as on transition date i.e 1st April 2019.

(ii) The following is the summary of practical expedients elected on initial application:
(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.
(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standard only to contracts that were previously identified as leases under Ind AS 17.
(e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

(iii) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended 31st March, 2020:

Transition impact on account of adoption of Ind AS 116 "Leases"	1,769
Additions during the year	1,487
Finance cost accrued during the year	187
Deletions	-
Foreign Currency Translation Reserve	(47)
Payment of lease liabilities	839
Less: Reclassified on Liabilities held for sale	74
Balance as at March 31, 2020	**2,577**

Note 3C - RIGHT OF USE ASSETS

(iv) The adoption of the new standard has also resulted in the following impact on the profit and the cash flows of the Group:

Particulars	Continuing Operations	Discontinued Operations	Total
	(Amount in INR)	(Amount in INR)	(Amount in INR)
Impact on the Profit before tax			
Increase in depreciation	747	15	762
Increase in finance cost	152	6	158
Decrease in Other Expenses	822	17	839
Net Decrease in Profit before Tax	**77**	**4**	**81**
Impact on Cash Flows on account of Lease Payments			
Increase in Cash inflows from Operating Activities	822	17	839
Increase in Cash ouflows from Financing Activities	822	17	839
Impact on Deferred Tax			
Decrease in Deferred Tax Liability	21	-	21
Decrease in Deferred Tax Expense	21	-	21

The effect of this adoption has an insignificant effect on earnings per share of the Group.

(v) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 8.0% p.a.

(vi) Rental expense recorded for short-term leases was INR 1,032 lakhs/- for the year ended March 31,2020 for continuing operations and INR 20 lakhs/- for discontinued operations. (refer note 47)

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

	AS AT 31 MARCH 2020 (Amount in INR Lakhs)	AS AT 31 MARCH 2019 (Amount in INR Lakhs)
4 NON CURRENT INVESTMENTS		
Investments measured at Cost		
Investment in Equity Instruments (Fully paid up)		
Investment in Associate Companies		
2,328 Equity shares of Rs 10 each fully paid up of Nutriwel Health (India) Private Limited	14	14
Investments measured at cost	**14**	**14**
Add: Share of Accumulated Profit/(Loss) of Associate Companies	(15)	(7)
Add: Share of Other Comprehensive Income of Associate Companies	1	-
Total Investment measured at cost	**-**	**7**
Investment in Debentures		
Unsecured		
Investment in Associate Companies		
9% 11,908,623 Optional Convertible Debentures of Rs 10 each of Nutriwel Health (India) Private Limited	2,189	1,344
Add: Share of Accumulated Profit/(Loss) of Associate Companies	(36)	-
Total Investments measured at Fair Value through Profit & Loss	**2,153**	**1,344**
Total Non Current Investments	**2,153**	**1,351**
Aggregate amount of unquoted investments	2,153	1,351
Aggregate amount of impairment in the value of investments	-	-

	AS AT 31ST MARCH 2019 *(Amount in Lakhs)*	AS AT 31ST MARCH 2018 *(Amount in Lakhs)*
Category-wise Non-Current Invetsment		
Financial assets carried at amortised cost	-	-
Financial assets meaued at cost	-	7
Financial assets measured at fair value through other comprenhive income	-	-
Financial assets measured at fair value through profit or loss	2,153	1,344
Total Non-Current Investment	**2,153**	**1,351**

5 NON-CURRENT LOANS*		
Unsecured, considered good		
Security Deposits	315	270
Other Loans	10	-
	325	**270**
***Break up**		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	325	270
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**325**	**270**
Less: Allowance for doubtful Loans	**-**	**-**
Total Loans	**325**	**270**

	AS AT 31 MARCH 2020 (Amount in INR Lakhs)	AS AT 31 MARCH 2019 (Amount in INR Lakhs)
6 OTHER NON CURRENT FINANCIAL ASSETS		
Deposits with original maturity more than 12 months*	17	742
Interest accrued on loans and deposits	9	40
Options Recoverable	67	-
	93	**782**
* under lien against bank guarantees and forward contracts with banks	16	740
7 NON CURRENT INCOME TAX ASSETS		
Opening balance of Advance Tax (Net)	571	423
Less: Current tax payable for the year	(221)	(1,208)
Add: Taxes paid	356	1,350
Add: Tax provision for earlier years written back	-	-
Closing balance of Advance Tax (Net)	706	565
Advance Tax (net of provision of income tax)	706	565
Total Non current income tax assets	**706**	**565**
8 DEFERRED TAX ASSETS/(LIABILITIES) (NET)		
The balance comprises temporary differences attributable to:		
Stock Reserve on inter group company sales	439	565
Depreciation and Amortization	(1,135)	(632)
Lease Liabilities	549	-
Bonus and Exgratia Payable	30	30
Provision for retirement benefits	25	16
Provision for Leave Encashment	39	36
Other Disallowances under section 43B of IT Act	3	3
Provision for Doubtful Receivables and Advances	107	52
Provision for Non Moving Inventory	12	-
Discounting of Security Deposits	12	0
Discounting of Loan	-	(61)
Fair Value change in Investments	(202)	(34)
Asset retirement obligation	7	2
Reclass of deferred tax asset on gratuity*	3	(2)
Reclass of leasehold land*	95	-
Carried Forward Business Losses	10	163
Exchange Difference on translation of Foreign Operations*	(96)	-
Other timing differences	59	28
	(43)	166
Less: Assets classified as Held for sale and discontinued operations	(4)	-
Less: Asset disposed on sale of subsidiary	(5)	-
Total deferred tax assets	**(52)**	**166**

*Impact has been taken to other comprehensive income.

9 OTHER NON CURRENT ASSETS		
Unsecured, Considered Good		
Advance for capital goods	75	190
Prepaid expenses		
- Prepaid Lease Rentals	59	26
- Other Prepaid Expenses	-	5
Others	1	12
	135	**233**

	AS AT 31 MARCH 2020 (Amount in INR Lakhs)	AS AT 31 MARCH 2019 (Amount in INR Lakhs)

10 INVENTORIES

Raw Materials	1,507	2,179
Packing Material	805	1,135
Work in Progress	789	485
Finished Goods		
- Manufactured	3,801	932
- Traded	742	2,252
Consumables & Promotional Items	189	142
Goods in Transit- Finished Goods	176	214
Goods in Transit- Raw Material & Packaging	121	79
	8,130	**7,418**
Less: Provision for Non Moving Inventory	(176)	(264)
Total inventories	**7,954**	**7,154**

- As per inventory taken,valued and certified by the Management

* During the current year, the Holding Company has shifted to contract manufacturing from trading of certain finished goods (Refer Note 1) and all the finished goods inventory as on 31st March 2020 has been grouped as finished goods manufactured as it was not practically feasible to bifurcate any old finished goods traded, if any, lying unsold as on 31st March 2020.The Finished Goods traded as on 31st March 2020 represents inventories lying with Organic India USA LLC and its subsidiary.

11 TRADE RECEIVABLES

Trade Receivables considered good - Secured		
Trade Receivables considered good - Unsecured	8,518	7,924
Trade Receivables which have significant increase in credit risk	428	120
Trade Receivables - credit impaired	107	84
	9,053	8,128
Less: Allowance for expected credit loss	(535)	(204)
	8,518	**7,924**
Due from Entities Controlled by Directors		
- M/s Fabindia Overseas Private Limited (Holding Company)	518	-
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited (Entity controlled by directors)	1	-
- Nutriwel Health India Private Limited (Associate)	76	-
Total trade receivables from related parties	**595**	**-**
Less: Allowance for expected credit loss	-	-
Net Trade Receivables from Related Parties	**595**	**-**

Note: The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. All of the Group's trade receivables have been reviewed for indications of impairment. Certain trade receivables were found to be impaired and an allowance for an expected credit loss of INR 535 Lakhs (2019: INR 204 Lakhs) has been recorded.

12 CASH AND CASH EQUIVALENTS

Balances with banks		
-In Current Accounts	2,698	1,011
Deposits with maturity of less than three months*	3	344
Cheque in hand	0	1
Cash on hand	512	695
	3,213	**2,051**
* under lien against bank guarantees and forward contracts with banks	3	319

	AS AT 31 MARCH 2020 (Amount in INR Lakhs)	AS AT 31 MARCH 2019 (Amount in INR Lakhs)
13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Deposits with original maturity of more than three months but less than twelve months*	217	452
	217	**452**
* under lien against bank guarantees, Letter of credits and forward contracts with banks	217	392
14 CURRENT FINANCIAL ASSETS - LOANS*		
Advances to Employees	84	63
Advance to Related Parties	40	-
	124	63
Less: Allowance for expected credit loss	(2)	(2)
	122	**61**
***Break up**		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	122	61
Loans which have significant increase in credit risk	2	2
Loans - credit impaired	-	-
Total	**124**	**63**
Less: Allowance for expected credit loss	(2)	(2)
Total Loans	**122**	**61**
15 CURRENT FINANCIAL ASSETS - OTHERS		
Advances recoverable in cash or kind	20	14
	20	**14**
16 OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Prepaid expenses		
- Prepaid Lease Rentals	38	10
- Other Prepaid Expenses	254	166
Advance to supplier	261	308
Advances recoverable in cash or kind	68	301
Goods and Service Tax Input Credit Recoverable	1,879	1,766
Recoverable from Government Authorities	256	45
Grant Receivable		
- Duty Drawback Receivable	32	63
- MEIS Scrips Receivable	192	339
- Other Grant Receivable	-	250
Other advances	-	0
	2,980	**3,248**

17 EQUITY SHARE CAPITAL

	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	Number	(Amount in INR Lakhs)	Number	(Amount in INR Lakhs)
AUTHORISED SHARE CAPITAL				
Equity Shares of Rs 10/- each	89,400,000	8,940	89,400,000	8,940
	89,400,000	**8,940**	**89,400,000**	**8,940**
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of Rs.10/- each fully paid up	80,191,300	8,019	79,917,633	7,992
	80,191,300	**8,019**	**79,917,633**	**7,992**

a). Terms/rights attached to Equity Shares
The Holding Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of equity shares is entitled to dividends as and when the Holding Company declares and pays dividend after obtaining shareholders approval. The Holding Company declares and pays dividend in Indian Rupees.

The Board has not proposed any dividend\ for the financial year ended 31st March, 2020 (31st March 2019 INR 1/- per equity share).

b). Shares held by holding / Ultimate holding and/or their subsidiaries/ associates

Out of the equity shares issued by the Company, shares held by holding / Ultimate holding Company are as below:

(Amount in INR Lakhs)

Equity Shares	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	Number	Amount	Number	Amount
Fabindia Overseas Private Limited (Equity shares of Rs. 10/- each)	42,503,469	4,250	42,354,994	4,235

c). The details of shareholders holding more than 5% shares as at 31 March 2019 and 31 March 2017 is set out below:

Name of shareholder	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	Number	% of shareholding	Number	% of shareholding
Equity Shares of Rs. 10/- each fully paid up				
OI (India) Holdings, LLC	36,654,900	45.71%	35,810,587	44.81%
Fabindia Overseas Private Limited	42,503,469	53.00%	42,354,994	53.00%

d). The reconciliation of the number of shares outstanding as at 31 March 2020 and 31 March 2019 is set out below:

Particulars	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
	Number	Number
Equity Shares of Rs. 10/- each fully paid up		
Number of shares in the beginning	79,917,633	78,190,919
Add: Shares issued on exercise of Employee Stock Options*	273,667	248,453
Add: Shares issued through private placement**	-	1,478,261
Number of shares at the end	**80,191,300**	**79,917,633**

*During the year, the Company has issued and allotted 248,453 (Previus Year: 259,639) equity shares to the eligible employees against 248,453 (Previous Year: 476,584) share options granted on 1st May, 2017.

**During the year the Company has done Private placement to the existing shareholders of the company and issued 792,339 Equity shares to Fabindia Overseas Private Limited and 685,922 Equity Shares to OI (India) Holdings, LLC respectively bearing face value of INR 10/- each at a premium of INR 105/- per share.

d). Shares reserved for issue under Employee Stock Options
Refer Note No. 46 in respect of details of shares reserved for issue under ESOP.

	AS AT 31 MARCH 2020 (Amount in INR Lakhs)	AS AT 31 MARCH 2019 (Amount in INR Lakhs)
18 OTHER EQUITY		
Summary of Other Equity Balance		
Attributable to Owners		
General Reserve	166	164
Securities Premium	1,817	1,741
Stock Option Outstanding Account	-	71
Retained Earnings	10,557	11,363
Foreign Currency Translation Reserve	317	227
Other Comprehensive Income	(9)	5
	12,848	13,571
Non Controlling Interest	2,173	1,979
	15,021	**15,550**

Nature and purpose of each reserves

a) General reserve
This reserve represents appropriation of Profits after dividend from Surplus in Statement of Profit and Loss at each year end. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

b) Securities premium
The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

c) Stock Option Outstanding Account
This reserve relates to Stock Options Granted by the company to its employees under Organic India Private Limited Employee Stock Option Plan(ESOP) 2016. This reserve is transferred to Securities Premium Reserve and Retained Earnings on exercise or cancellation of the vested options.

d) Retained Earning
Retained earnings include INR 213 lakhs transferred from revaluation reserve on adoption of deemed cost on transition to Ind AS as it is not eligible for dividend being not in the nature of free reserves. Out of the said amount, the difference between depreciation provided on revalued amount and historical cost has been transferred to General Reserve amounting to INR 2 lakhs/- up to 31st March 2020 (31st March 2019: INR 2 lakhs/-).

e) Foreign Currency Translation Reserve
Exchange differences arising on translation of assets, liabilities, incomes and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

19 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2019
Term Loan		
Secured		
- Citi Bank NA*	4,015	5,222
- Standard Chartered Bank **	1,294	1,765
Unsecured		
OI (US) Holdings LLC#	1,457	1,354
	6,766	8,341
Less: Current Maturity of Long Term Debt	(2,149)	(1,963)
	4,617	**6,378**

*The Company had been sanctioned a Foreign Currency Term Loan (FCTL) of INR 5,500 lakhs from Citi Bank NA for financing the new factory at UPSIDC, District - Barabanki in Uttar Pradesh, India, for a period of 5 years commencing from August 2017. During the financial year 2017-18, the Company had availed Foreign Currency Term Loan of USD equivalent of INR 5500 lakhs. The said loan carries interest rate of 2.9% per annum including hedging of Libor. The loan is repayable in 16 equal quarterly installments commencing from 29th November 2018.
The said loan is secured by
-first pari passu charge on entire moveable fixed assets of the Company, both present and future
-first pari passu charge on entire immovable fixed assets of the Company,both present and future
The Company has been regular in payment of principal & interest amount as stipulated.

	AS AT 31 MARCH 2020 (Amount in INR Lakhs)	AS AT 31 MARCH 2019 (Amount in INR Lakhs)

** The Company had been sanctioned a term loan of Rs.2000 lakhs from Standard Chartered Bank for financing the new factory at UPSIDC, District - Barabanki in Uttar Pradesh, India, for a period of 5 years commencing from January 2018. During the financial year 2017-18, the Company had availed the said loan. The loan carries interest rate of 6.1% per annum. The Company has further entered in to a cross currency swap agreement with the bank and converted its loan to a equivalent foreign currency loan with interest rate @ 2.9% on the outstanding foreign currency amount . The loan is repayable in 17 equal quarterly installments commencing from October 2018. The said loan is secured by:
-first pari passu charge by way of equitable mortgage over factory land & building situated at Agro Park, UPSIDC Near Kursi Road Barabanki,
-over entire movable fixed assets of Company along with those created at new plant and
-first pari passu charge by way of equitable mortgage over land and building at Plot no 266, Faizabad road, Kamta, Post Chinhat, Lucknow - 227105
The Company has been regular in payment of principal & interest amount as stipulated.

#The said loan is repayable at the end of five years from the date on which loan was taken i.e. 27th March 2015 which have been further extended by five years in March 2020 and carries interest @ 4% p.a. Payable quarterly during the term of loan of five years.

Refer Note 41 for contractual maturities of the long term borrowings.

20 NON-CURRENT OTHER FINANCIAL LIABILITIES

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2019
Security Deposits Received	223	222
Lease Liability	1,845	-
Forwards Contracts/Options and Swap Payables	138	-
	2,206	**222**

21 OTHER NON CURRENT LIABILITIES

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2019
Deferred Interest - Non Current	3	2
	3	**2**

22 NON-CURRENT PROVISIONS

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2019
Provision for Employee Benefits		
- Gratuity	111	48
- Leave Encashment	137	110
Provision for Asset Retirement Obligations	27	5
	275	**163**

(i) Information about individual provisions and significant estimates
a) Provision for asset retirement obligation- A provision has been recognised for Asset retirement obligation costs associated with the stores taken on operating lease by the Company. The Company is committed to return the stores in as is position at the expiry of those leases. The Company has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

Provision for Asset Retirement Obligations	AS AT 31 MARCH 2020	AS AT 31 MARCH 2019
Balance at the beginning	5	2
Provision during the year	24	4
Amounts utilized / written back during the year	1	1
Amounts reclassified as Liabilities directly related with discontinued operations	(1)	-
Balance at the end	**27**	**5**

	AS AT 31 MARCH 2020 (Amount in INR Lakhs)	AS AT 31 MARCH 2019 (Amount in INR Lakhs)
23 CURRENT FINANCIAL LIABILITIES -BORROWINGS		
Secured		
-Axis Bank*		
- Working Capital Demand Loan (WCDL)	2,970	1,800
- Pre Shipment Credit	-	208
-Citi Bank**		
- Packing Credit Foreign Currency (PCFC)	523	-
- Packing Credit	224	760
- Working Capital Demand Loan (WCDL)	846	404
-Cash Credit#	1,271	1,667
-Standard Chartered Bank***		
-Bank Overdraft	747	480
- HDFC Bank****		
- Working Capital Demand Loan (WCDL)	1,434	-
	8,015	**5,319**

* The Holding Company had been sanctioned secured cash credit, working capital demand loan and Export credit Limits (pre shipment and post shipment) from Axis Bank Ltd amounting to INR 2000 lakhs which has been further increased to INR 3000 lakhs during the year for financing the short term working capital requirements.
The said facilities are secured by first pari-passu charge on present and future current assets of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company. The interest rate for the said facilities is as below
a. Pre shipment credit - 5.5% p.a.
b. Post shipment credit - Libor + 175 bps
c. WCDL - 3 Month MCLR + 5 bps
The Holding Company has been regular in payment of principal and interest as stipulated.

** The Holding Company has been sanctioned secured Cash Credit, working capital demand loan and Packing Credit facilities from Citibank N.A. for financing short term working capital requirements amounting to INR 1000 lakhs which was further increased to 2000 lakhs The said facilities are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company. The interest rate for the said facilities is as below:
a. Packing credit - Libor + 90bps
b. WCDL - 313 bps per annum
The Holding Company has been regular in payment of principal and interest as stipulated.

The Subsidiary Company, Organic India USA LLC, has been sanctioned secured Line of Credit from CitiBank N.A. for financing short term working capital requirements amounting to USD 30,00,000. The said credit carrires an interest rate of 2% above the base rate as defined in the agreement (effective rate of 2.41% as on March 31, 2020) payable quarterly and is secured against the inventory of the said Subsidiary Company.

*** The Holding Company has been sanctioned secured cash credit, bank overdraft, working capital demand loan and export credit limits amounting to INR 500 lakhs from Standard Chartered Bank which has been further increased to 1000 lakhs . The said facilities carry interest rate between 8.00% to 8.25% p.a. and are secured against first pari-passu charge on present and future stocks and book debts of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company.
The Holding Company has been regular in payment of principal and interest as stipulated.

**** The Holding Company has been sanctioned secured cash credit, working capital demand loan and export credit limits from HDFC Bank Limited amounting to INR 1500 lakhs during the year for financing short term working capital requirements. The said facilities carry interest rate between 8.00% to 8.60% p.a. and are secured against first pari-passu charge on current assets present and future of the Holding Company and second pari-passu charge on fixed assets (movable and immovable) of the Holding Company.
The Holding Company has been regular in payment of principal and interest as stipulated.

	AS AT 31 MARCH 2020	AS AT 31 MARCH 2019
24 TRADE PAYABLES		
For Goods and Services		
- Due of micro enterprises and small enterprises	324	138
- Due of creditors other than micro enterprises and small enterprises	4,167	2,543
	4,491	**2,681**
25 CURRENT FINANCIAL LIABILITIES - OTHERS		
Current Maturity of Long Term Debt	2,149	1,963
Interest accrued but not due on borrowings	31	17
Payable for capital goods	444	1,145
Security Deposits Received	524	466
Forwards Contracts/Options and Swap Payables	310	-
Lease Liabilities	732	-
Other Accruals	507	899
	4,697	**4,490**

	AS AT 31 MARCH 2020 (Amount in INR Lakhs)	AS AT 31 MARCH 2019 (Amount in INR Lakhs)
26 OTHER CURRENT LIABILITIES		
Advance from Customers	424	166
Statutory Dues	151	151
Refund Liabilities*	155	81
Deferred Interest - Current	4	2
Other Expenses Payable	400	479
Total other current liabilities	**1,134**	**879**
* Movement of Refund Liabilities		
Amount restated on the adoption of new standard (Ind AS 115)	81	70
Add: Additions during the Year	155	87
Less: Utilised during the year	81	76
Closing Balance	**155**	**81**
27 CURRENT PROVISIONS		
Provision for Employee Benefits		
- Leave Encashment	16	12
Provision for Asset Retirement Obligations	1	1
	17	**13**

a) Provision for asset retirement obligation- A provision has been recognised for asset retirement obligation costs associated with the stores taken on operating lease by the Company. The Company is committed to return the stores in as is position at the expiry of those leases. The Company has estimated an average rate for asset retirement obligations on the basis of past trends and provided for asset retirement obligation.

(i) Movement in Provisions during the year

Provision for Asset Retirement Obligations		
Balance at the beginning	1	0
Provision during the year	1	1
Amounts utilized / written back during the year	1	0
Balance at the end	**1**	**1**

	FOR THE YEAR ENDED 31 MARCH 2020 (AMOUNT IN INR LAKHS)	FOR THE YEAR ENDED 31 MARCH 2019 (AMOUNT IN INR LAKHS)
28 Revenue from operations		
Sale of Products (including excise duty)		
- Domestic	31,371	29,476
- Exports	2,893	3,806
	34,264	33,282
Other Operating Revenue		
Government Grants		
- Duty Drawback Received / Export Incentives / MEIS Scrips Received	221	335
	34,485	**33,617**

*Refer note 39 for disclosure on government grants.

Details of Products Sold		
- Herbal Infusions	11,175	11,650
- Ayurvedic Medicines(Formulations)	11,748	10,481
- Psyllium	1,740	2,852
- Dehydrated Fruits & Vegtables	922	1,508
- Others	8,679	6,791
	34,264	**33,282**

Reconciliation of Revenue with Contracted Price

Revenue as per contracted price	37,905	36,212
Adjustments		
Discounts and Rebates	3,355	2,849
Rebate for Expiry	286	81
	3,641	2,930
Revenue froom contract with customers	**34,264**	**33,282**

29 Other income		
Interest Income		
Bank Deposits	40	63
Debentures	107	-
Rewinding of Interest on Leased deposits measured at amortised c	15	11
Others	20	13
Credit Balances Written Back	13	7
Net Gain arising on financial assets measured at FVTPL	749	117
Foreign Exchange Gain	-	69
Income from Forward Contract	12	-
Income from Royalty	2	10
Insurance Claim received	-	1
Gain arising on Derivatives measured at FVTPL	-	4
Provision for Sales Tax Forms Written Back	-	4
Provision for Non Moving Inventory Written Back	88	-
Provision for Asset Retirement Obligation written back	1 0	0
Rent Income	83	-
Excess Provision Written back	32	249
Miscellaneous Receipts	88	204
	1,250	**752**

30 Cost of materials consumed		
Opening Stock	3,456	2,391
Add: Purchases	7,366	6,769
	10,822	9,160
Less: Closing Stock	2,501	3,456
Total cost of material consumed	**8,321**	**5,704**

	FOR THE YEAR ENDED 31 MARCH 2020	FOR THE YEAR ENDED 31 MARCH 2019
31 CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK IN PROGRESS		
Opening inventory		
Finished Goods		
- Manufactured	1,139	780
- Traded	2,252	2,217
Work in Progress	485	435
	3,876	3,432
Stock acquired on acquisition of subsidiary	-	324
Closing inventory		
Finished Goods		
- Manufactured	3,801	932
- Traded	742	2,252
- Goods in Transit- Finished Goods	165	207
Work in Progress	789	485
	5,497	3,876
Total (increase)/decrease in inventories	**(1,621)**	**(120)**
32 Employee benefits expense		
Salaries and wages	4,991	5,487
Contribution to Provident Fund & Other Funds	240	232
Contribution to Employee State Insurance Scheme	16	20
Employee Stock Options Compensation Expense	6	68
Staff Welfare Expenses	182	191
Total employee benefit expense	**5,435**	**5,998**
33 Finance costs		
Interest Expense		
Foreign Currency Term Loan	420	187
Loan Processing Charges	19	14
WCDL / Bank Overdraft	404	148
Bills Discounting	-	22
Others	121	94
Unwinding of Discount on Asset Retirement Obligation	2	0
Unwinding of Discount onFinancial Liabilities measured at amortis	4	2
Lease Liability	152	0
Total finance cost	**1,122**	**467**

	FOR THE YEAR ENDED 31 MARCH 2020	FOR THE YEAR ENDED 31 MARCH 2019
34 Other expenses		
Manufacturing Expenses		
Processing Expenses	46	60
Power & Fuel	305	143
Administrative Expenses		
Rent	1,032	1,499
Repair and maintenance		
- Building	55	41
- Computers, machinery and other equipments	171	144
- Others	134	115
Freight outward	1,702	1,563
Insurance (Net of Recovery)	140	113
Travelling Expenses (includes Conveyance and Vehicle Running)	739	1,041
Legal and Professional Expenses	1,486	1,434
Auditor's Remuneration (Refer Details Below)	15	13
Debit Balances written off	2	2
Communication Expenses	71	67
Corporate Social Responsibility Expenses	98	98
Provision on Sales Tax Form	-	2
Bad Debt written off	88	70
Provision for Doubtful debts	331	38
Provision for Non Moving Inventory	-	210
Obsolete Stock Written off	131	60
Certification Expenses	104	90
Product Liability	62	78
Community Development Expenses	7	3
Rates & Taxes	95	102
Lab Expenses (includes Testing Expenses)	88	79
Printing & Stationery	22	13
Security Charges	74	54
Loss from Forward Contract	-	26
Donation	17	50
Loss of Stock on Fire	24	-
Net Loss on sale of investments	-	1
Loss arising on Derivatives measured at FVTPL	146	-
Loss arising on Cross Currency Swaps measured at FVTPL	224	-
Loss on Sale/Discard of Property Plant and Equipment (Net)	2	140
Loss On Sale Of Govt. Incentive Scrips	3	2
Miscellaneous Expenses	170	236
Research and Development Expenses	31	5
Royalty	113	29
Business Support / Management Fee	684	116
Bank Charges	157	103
Selling Expenses		
Samples	824	759
Business Promotion	6,039	5,143
Commission and Brokerage	1,357	1,317
	16,789	**15,059**

*Payments to Auditors		
Audit Fee	14	11
Certification Expenses	1	1
Reimbursement of out of pocket expenses	1	1
Total	**16**	**13**

	FOR THE YEAR ENDED 31 MARCH 2020	FOR THE YEAR ENDED 31 MARCH 2019
35 Tax expense		
(a) Tax expense recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	(211)	(1,208)
Adjustments/(credits) related to previous years (net)	9	-
Total (A)	**(202)**	**(1,208)**
Deferred Tax		
Orignation and reversal of temporary differences(net of valuation allowance)		
Attributable to Continuing Operations	40	(321)
Attributable to Discontinued Operations	(157)	162
Total (B)	**(117)**	**(159)**
Total (A+B)	**(319)**	**(1,367)**
(b) Movement in Deferred tax Assets (net)		
Deferred income tax liability / (asset), net		
Stock Reserve on inter group sales	(127)	(12)
Depreciation and Amortization	(503)	(540)
Lease Liabilities	549	-
Bonus & Exgratia Payable	(1)	5
Provision for retirement benefits	9	3
Provision for Leave Encashment	3	10
Other Disallowances under section 43B of Income Tax Act	0	-
Provision for doubtful receivables and advances	55	14
Provision for Non Moving Inventory	12	-
Discounting of Security deposits	13	0
Discounting of Loans	61	(62)
Fair Value change in Investments	(168)	(40)
Asset Retirement Obligations	5	1
Reclass of deferred tax asset on gratuity*	5	(1)
Exchange Difference on translation of Foreign Operations	(96)	-
Fair Value Change in Derivative Intruments	95	-
Carried Forward Business Losses	(153)	163
Others	31	11
	(210)	**(448)**
Less: Impact taken to Other Comprehensive Income	(91)	(1)
Less: Impact of Additions on business combinations	-	(309)
Less: Impact of adoption of new accounting standard (Ind AS 115) take	-	20
Net Deferred Tax Expense/Income recognised in Statement of Profit ar	**(119)**	**(447)**

(c) Amounts recognised in Other Comprehensive Income

The tax (charge)/credit arising on income and expenses recognised in Other Comprehensive Income is as follows:

On items that will not be reclassified to Profit or Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	5	(1)
Exchange Difference on translation of Foreign Operations	(96)	-
Total	**(91)**	**(1)**

(d) Reconciliation of effective tax rate

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit before exceptional items and tax	584	3,415
Tax using the Company's domestic tax rate (31 March 2020: 25.168% and 31 March 2019: 29.12%)*	147	994
Tax effect of:		
Non-deductible tax expenses		
Effect of tax related to expenses not deductible for income tax	(515)	(310)
Effect of tax related to previous years	(9)	-
Effect of Tax on Indexation	(83)	32
Effect of Tax on Elimination of Stock Reserve	(126)	13
Effect of Difference in rates	(73)	(25)
Effect of tax on loss of the overseas subsidiary on which deferred tax not recognised	892	708
Others	86	(45)
	319	**1,367**

* Provision for income tax has been computed by considering that the Company opts for payment of income tax as per the provisions of Section 115BAA of the Income Tax Act, 1961.

(d) Taxation on dividend paid

During the year ended 31 March 2020, the Holding Company has paid dividend to its shareholders. This has resulted in payment of Dividend distribution tax(DDT) to the taxation authorities. The Holding Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

36 Contingent liabilities and commitments

	As at 31 March 2020 (AMOUNT IN INR LAKHS)	As at 31 March 2019 (AMOUNT IN INR LAKHS)
A Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debt		
- FSSAI Demands not provided for*	30	30
-Income Tax demands under appeals not provided for**	1096	0
- Labour law demand under appeals***	23	33
- VAT Demands not provided for#	175	10
- Civil Demands not provided for****	5	3
- Others	3	-

* Demands have been received from Food Safety and Standards Authority of India (FSSAI) by the Holding Company and no provision has been made for the said demands in the books as the Holding Company has represented to the authorities and is hopeful of getting a favourable order in this regard.

-Value Added Tax demands under appeals not provided for
i) Previous year figure represents demand received from VAT Department with respect of the financial year 2015-16.The Holding Company had filed an appeal with Additional Commissioner (Appeals) against the said order and during the year, the said appeal has been decided in favour of the Holding Company.

ii) The Holding Company had filed an application with Commissioner in previous years for clarification of the applicable rates under Value Added Tax Act with respect to certain products, for which the order was received and was challenged by the Holding Company by filing an appeal with the Commercial Tax Tribunal. During the year, the said Tribunal has upheld the order as passed by the Commissioner, which has been further challenged by the Holding Company in Honourable High Court. No provision has been made in the books in this regard as the Holding Company is hopeful of getting a favourable order in the said matter. However, if the Holding Company's appeal is not decided in favour of the Holding Company, a liability of INR 175 lakhs (as estimated by the Holding Company) may arise in this regard in addition to interest and penalties as may be applicable.

** - Income Tax demands under appeals not provided for includes certain demand with respect to prior years in addition to the following:

i) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2016-17 amounting to INR 852 lakhs out of which INR 170 lakhs has been deposited with the department during the current year and an appeal against the said order has been filed before the Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

ii) Demand under section 156 of Income Tax Act, 1961 received for the Assessment Year 2017-18 amounting to INR 229 lakhs, out of which INR 46 lakhs has been deposited with the department during the current year and an appeal against the said order has been filed before the Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

iii) Demand under section 156 of Income Tax Act, 1961 has been received for the Assessment Year 2018-19 amounting to INR 15 lakhs out of which INR 3 lakhs has been deposited with the department during the current year and an appeal against the said order has been filed before the Commissioner of Income Tax (Appeal). No Provision has been made in the books since the Holding Company is hopeful to get a favourable order in this regard.

*** Few ex-employees of the Holding Company had filed complaints in Industrial/Labour Court of Lucknow against the Holding Company challenging their termination and no provision has been made for the said demands in the books as the Holding Company has represented to the authorities and is hopeful of getting a favourable order in this regard.

**** A vendor has filed a recovery suit against the Holding Company for non payment of the goods rejected and returned to them and no provision has been made for the demand in the books as the Holding Company has contested the same and is hopeful of getting a favourable order in this regard.

(b) The Holding Company is covered under the provisions of Section 3(2) of the Biodiversity Act, 2002 and has applied for seeking approval for the Prior access and Future access of Biological Resources with National Biodiversity Authority. Accordingly during the previous year, the Holding Company had suo motto deposited an amount of INR 23 lakhs with respective State Biodiversity Board as required under the said Act for the Financial Year 2015-16 to Financial Year 2017-18 pending the approval from the National Biodiversity Authority. Any liability that may arise in excess of the amount already deposited in this regard, shall be provided for in the books as and when the said approval/order/demand is received from the said authority.

(c) The Holding Company has received a notice from the Enforcement Directorate, FEMA Lucknow for investigation under the provisions of Foreign Exchange Management Act,1999 with respect to the Foreign Direct Investments(FDI) received during the Financial Year 2006-07 to Financial Year 2008-09. No liability is likely to arise in this regard as the Holding Company has satisfactorily replied against the said notice received from the said authority.

	As at 31 March 2020 (AMOUNT IN INR LAKHS)	As at 31 March 2019 (AMOUNT IN INR LAKHS)
B Capital and Other Commitments:		
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	108	158

(b) Lease Commitments:

The Group has entered into operating leases for its stores/retail outlets and office premises at various locations across India. The lease commitments towards non cancellable leases is as below:

		As at 31 March 2020* (AMOUNT IN INR LAKHS)	As at 31 March 2019 (AMOUNT IN INR LAKHS)
a.	Not later than one year	-	346
b.	Later than one year but not later than five years	-	431
c.	Later than five years	-	-

* Not applicable as the lease payments have been considered in lease liability as per Ind AS - 116.

(c) Effective December 1, 2018, the step down foreign Subsidiary Company began subleasing certain office space through March 30, 2020 for $ 8,850 per month. The sublease income of the Company is as below:

		As at 31 March 2020 (AMOUNT IN INR LAKHS)	As at 31 March 2019 (AMOUNT IN INR LAKHS)
a.	Not later than one year	-	74
b.	Later than one year but not later than five years	-	-
c.	Later than five years	-	-

37 Earnings per equity share

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 of the Company as adjusted by the after tax amount of dividends and interest recognised in the period in respect of dilutive potential equity shares 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:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Weighted average number of equity shares for Basic EPS		
Weighted average number of equity shares (Nos.)	80,116,323	79,229,331
Nominal value of equity shares	10	10
Profit after tax from continuing operations attributable to equity holders of the company	436	2,227
Earnings per equity share		
-basic	0.54	2.81
-diluted	0.54	2.80
(Loss) after tax from discontinued operations attributable to equity holders of the company	(275)	(221)
Earnings per equity share		
-basic	(0.34)	(0.28)
-diluted	(0.34)	(0.28)
Profit after tax from continuing and discontinued operations attributable to equity holders of the company	161	2,007
Earnings per equity share		
-basic	0.20	2.53
-diluted	0.20	2.53
Weighted average number of equity shares for Diluted EPS		
Number of shares considered as weighted average shares outstanding for Basic E	80,116,323	79,229,331
Add: Effect of Stock Options Granted	-	205,449
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	80,116,323	79,434,780

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

38 Government grants

(a) The Holding Company has recognised INR 221 lakhs (31st March 2019 INR 335 lakhs) for Duty Drawback / Export Incentives in Statement of Profit and loss . There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised in Statement of Profit and loss.

(b) During the previous year, the Holding Company was sanctioned a grant in aid amounting to INR 500 lakhs from Ministry of Food Processing Industries for setting up of a Tea and Herb blending and other food product unit at Barabanki. Out of the total grant in aid, the Holding Company had received INR 250 lakhs and the balance amount was shown as recoverable under the head Other Current Assets. However, during the current year the Ministry has deducted an amount of INR 20 lakhs and balance amount was received by the Holding Company. The total grant in aid sanctioned net of the deduction is adjusted against the carrying amount of the asset for which the grant was sanctioned.

39 SEGMENT REPORTING

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The operating segments have been identified as different business carried namely Organic Herbal Products and Research & Development activities and the environment in which the Group operates within India and outside India.

a) Information about Geographical Segments:

(Amount in INR Lakhs)

Particulars	Organic Herbal Products				Research & Development*		Total	
	Business in India		Overseas Business		Business in India			
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Segment Revenue								
Sale of products:								
- External Sales	18,226	17,830	16,038	15,452	-	-	34,264	33,282
- Inter - Segment Sales	3,040	3,804	-	-	-	-	3,040	3,804
- Duty Drawback Received / Export Incentives / Vikas Kisan Gramin Undyog Yojana Scrips Received	221	335	-	-	-	-	221	335
Gross Turnover	**21,487**	**21,969**	**16,038**	**15,452**	**-**	**-**	**37,525**	**37,421**
Inter - Segment Transfers	(3,040)	(3,804)	-	-	-	-	(3,040)	(3,804)
Net Turnover	**18,447**	**18,165**	**16,038**	**15,452**	**-**	**-**	**34,485**	**33,617**
Profit on sale of assets							-	-
Other Income	727	311	523	441	-	-	1,250	752
Net revenue from operations	**19,174**	**18,476**	**16,561**	**15,893**	**-**	**-**	**35,735**	**34,369**
Segment Result before interest, Prior Period Items & taxes	1,610	4,886	284	(554)	-	-	1,894	**4,332**
Interest on Term Loan	(288)	(69)	(132)	(118)	-	-	(420)	(187)
Interest on Overdraft	(404)	(148)	-	-	-	-	(404)	(148)
Interest on Bills discounting	-	(22)	-	-	-	-	-	(22)
Interest on Security Deposit	(120)	(93)	-	-	-	-	(120)	(93)
Interest on Lease Liability	(120)	-	(32)	-	-	-	(152)	-
Others	(6)	(17)	(19)	-	-	-	(25)	(17)
Segment Result before taxes	**672**	**4,537**	**101**	**(672)**	**-**	**-**	**773**	**3,865**
Provision for Tax	(39)	(1,067)	(172)	(142)	-	-	(211)	(1,208)
Tax Paid for Earlier Years	9	-	-	-	-	-	9	-
Deferred Tax Income/(Expense)	44	(349)	(4)	29	-	-	40	(321)
Profit After Taxes	**686**	**3,121**	**(75)**	**(785)**	**-**	**-**	**611**	**2,336**
Segment Assets	40,091	35,014	8,410	8,294	194	378	48,695	43,686
Segment Liabilities	21,104	16,267	4,403	3,385	149	494	25,656	20,146
Depreciation/Amortization during the year	1459	379	566	174	0	0	2025	553
Capital Expenditures including during the year	2,820	8,599	136	3,573	-	84	2,956	12,256

*Represents figures for the subsidiary Company Composite Interceptive Med Science Laboratories Private Limited which has been identified as discountinued operations during the year (Refer Note 47).

b) Entity wise disclosures are as under:

	31st March,2020 (Amount in Lakhs)	**31st March,2019 (Amount in Lakhs)**
Sale of Products		
- Within India	31,371	29,477
- Outside India	2,893	3,805
	34,264	33,282
Details of Non Current Asset		
- Within India	18,677	16,085
- Outside India	4,227	3,567
	22,904	19,652

c) Information about major customers

The Group did revenue from the following customers which exceeded 10% of total revenue:-

Name of Customer	Share of Total Revenue(in Percentage)	
	31st March,2020	**31st March,2019**
United Natural Foods Inc	13.57	14.25

40 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

Financial instruments by category as on 31st March 2020

(Amount in INR Lakhs)

	31st March 2020				
	FVTPL	**FVOCI**	**Amortised Cost**	**Total Carrying Value**	**Total Fair Value**
Financial assets					
Investments(Non current)	2,152	-	1	2,153	2,153
Loans(Non Current)	-	-	325	325	325
Other Financial Assets(Non Current)	-	-	93	93	93
Trade receivables	-	-	8,518	8,518	8,518
Cash and Cash equivalents	-	-	3,213	3,213	3,213
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	217	217	217
Loans(Current)	-	-	122	122	122
Other Financial Assets	-	-	20	20	20
TOTAL	**2,152**	**-**	**12,509**	**14,661**	**14,661**
Financial liabilities					
Borrowings(Non Current)	-	-	4,617	4,617	4,617
Other Financial Liabilities(Non Current)	-	-	2,206	2,206	2,206
Borrowings(Current)	-	-	8,015	8,015	8,015
Trade payables	-	-	4,491	4,491	4,491
Other Financial Liabilities	14	-	4,683	4,697	4,697
TOTAL	**14**	**-**	**24,012**	**24,026**	**24,026**

Financial instruments by category as on 31st March 2019

(Amount in INR Lakhs)

	31st March 2019				
	FVTPL	**FVOCI**	**Amortised Cost**	**Total Carrying Value**	**Total Fair Value**
Financial assets					
Investments(Non current)	1,344	-	6	1,350	1,350
Investments(current)	-	-	-	-	-
Loans(Non Current)	-	-	270	270	270
Other Financial Assets(Non Current)	-	-	782	782	782
Trade receivables	-	-	7,924	7,924	7,924
Cash and Cash equivalents	-	-	2,051	2,051	2,051
Bank Balances Other Than Cash And Cash Equivalents (Current)	-	-	452	452	452
Loans(Current)	-	-	61	61	61
Other Financial Assets	-	-	14	14	14
TOTAL	**1,344**	**-**	**11,560**	**12,904**	**12,904**
Financial liabilities					
Borrowings(Non Current)	-	-	6,378	6,378	6,378
Other Financial Liabilities(Non Current)	-	-	222	222	222
Borrowings(Current)	-	-	5,319	5,319	5,319
Trade payables	-	-	2,681	2,681	2,681
Other Financial Liabilities	14	-	4,476	4,490	4,490
TOTAL	**14**	**-**	**19,076**	**19,090**	**19,090**

Trade receivables comprise amounts receivable from the sale of goods and services. The Management considers that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.

Loans (non-current) comprise of security deposits paid and loan given to subsidiary which have been discounted and the same approximates their fair value.

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.

Borrowings comprises of loan from bank and the fair value is considered to be same as the carrying value being at market rates.

Other financial liabilities (non-current) comprise of security deposit received which have been discounted and the same approximates their fair value.

Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value As at 31 March 2020

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	2,152	2,152
	-	-	2,152	2,152

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2020

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	1	1
Loans	-	-	447	447
Trade receivables	-	-	8,518	8,518
Cash and Cash equivalents	-	-	3,213	3,213
Bank balances other than above	-	-	217	217
Other Financial Assets	-	-	113	113
	-	**-**	**12,509**	**12,509**

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	12,632	12,632
Trade payables	-	-	4,491	4,491
Other Financial Liabilities	-	14	6,889	6,903
	-	**14**	**24,012**	**24,026**

Financial assets and liabilities measured at fair value As at 31 March 2019

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	1,350	1,350
	-	-	1,350	1,350

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2019

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	331	331
Trade receivables	-	-	7,924	7,924
Cash and Cash equivalents	-	-	2,051	2,051
Bank balances other than above	-	-	452	452
Other Financial Assets	-	-	796	796
	-	**-**	**11,554**	**11,554**

(Amount in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Borrowings	-	-	11,697	11,697
Trade payables	-	-	2,681	2,681
Other Financial Liabilities	-	14	4,698	4,712
	-	**14**	**19,076**	**19,090**

(ii) Measurement of fair values

The different levels of fair value have been defined below:
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. These are valued using the closing NAV.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.
There have been no transfers in either direction for the years ended 31 March 2020 and 31 March 2019.

(iii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis/net asset value method.

The fair valuation of swaps and options are based on valuations performed by an accredited external independent valuer. The valuer is a specialist in valuing these types of instruments. The valuation model used is in accordance with a method recommended by the International Valuation Standards.

The fair valuations of foreign currency option is determined based on the option pricing model (eg Black-Scholes model), and fair valuation of cross currency swap is determined based on the present value of the estimated future cash flows taking observable inputs for the valuations.

(iv) Significant unobservable Inputs:

The Independent valuer has made detailed study based on standards methodology for valuation and have not taken any significant unobservable inputs for valuation of options and swaps on reporting date.

41 Financial risk management

The Group has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. The risk management policies are established to identify and analyse the risk faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company activities. The Group's board oversees how management monitors compliance with Group's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risk faced by the Group.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis	Diversification of bank deposits, credit limits and credit worthiness
Liquidity Risk	All financial liabilities	Rolling cash flow forecasts	Availability of borrowing facilities
Market Risk - Foreign Exchange	Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecast Sensitivity Analysis	Forward Contracts, Option Contracts and Cross Currency Swap

i. Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's maximum exposure to credit risk associated with the trade and other receivables.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Wherever the Company assesses the credit risk as high the exposure is backed by either bank guarantee / letter of credit or security deposits

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of trade receivables from the date, credit was initially granted upto the reporting date. The concentratrion of credit risk is limited due to the customer base being large and unrelated. Accordingly the management believes that there is no further credit provision required in excess of the allowance for doubtful debts. Management has assessed the advances and other receivables for impairment and has concluded that appropriate provision has been made for the doubtful advances and balance are fully recoverable in the normal course of business.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Amount in INR Lakhs)

	31-Mar-20	31-Mar-19
Trade and other receivable	9,502	8,461
Less: Allowance for expected credit loss	(537)	(206)
	8,965	8,255

Movement in the allowance for impairment in respect of trade receivables

(Amount in INR Lakhs)

	31-Mar-20	31-Mar-19
Opening Balance	206	168
Add: Allowance created during the year	331	49
Less: Allowance written back during the year	-	11
Closing Balance	**537**	**206**

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks.

ii. Liquidity risk

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 Group's approach to manage liquidity is to ensure, availability of funding through an adequate amount of credit facilities to meet obigations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
Management monitors rolling forecasts of the Group's liquidity position i.e. cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities
The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Amount in INR Lakhs)

Contractual maturities of financial liabilities 31 March 2020	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
Trade payables	4,490	-	-	4,490
Long term borrowings	2,149	4,617	-	6,766
Short term borrowings	8,015	-	-	8,015
Security deposits received	524	223	-	747
Payable for capital goods	444	-	-	444
Interest accrued but not due	31	-	-	31
Other Accruals	506	-	-	506
	16,159	**4,840**	**-**	**20,999**

(Amount in INR Lakhs)

Contractual maturities of financial liabilities 31 March 2019	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
Trade payables	2,543	-	-	2,543
Long term borrowings	1,963	6,378	-	8,341
Short term borrowings	5,319	-	-	5,319
Security deposits received	466	222	-	688
Payable for capital goods	1,146	-	-	1,146
Interest accrued but not due	17	-	-	17
Other Accruals	898	-	-	898
	12,352	**6,600**	**-**	**18,952**

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The Group's interest rate risks are covered by cross currency swaps. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

Currency risk

The Group operates internationally and transacts in foreign currencies and consequently the Group is exposed to foreign exchange risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee.The Group's exposure in respect of foreign currency are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Group enters in to derivative financial instruments i.e. forward foreign exchange contracts and forward option contracts for foreign currency risk mitigation.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019:-

(Amount in INR Lakhs)

31-Mar-20	INR	USD	EURO	AUD	NZD	GBP	HKD	SGD
Financial assets								
Trade Receivables	3,336	3,570,407	479,612	373,827	54,341	81,732	-	-
Cash and Cash Equivalents	8	5,193	4,649	-	-	31	99	41
Other Financial Assets	-	-	-	-	-	-	-	-
	3,344	3,575,600	484,261	373,827	54,341	81,763	99	41
Financial liabilities								
Trade Payables	370	433,948	46,758	7,817	-	-	35,506	-
Short Term Borrowings	747	1,000,000	-	-	-	-	-	-
Long Term Borrowings	4,015	5,371,094	-	-	-	-	-	-
	5,132	6,805,042	46,758	7,817	-	-		-

(Amount in INR Lakhs)

31-Mar-19	INR	USD	EURO	AUD	NZD	GBP	HKD	SGD
Financial assets								
Trade Receivables	1,522	1,517,959	378,293	43,918	-	167,572	-	-
Cash and Cash Equivalents	5	351	5,544	-	-	31	99	41
Other Financial Assets	-	-	-	-	-	-	-	-
	1,527	1,518,310	383,837	43,918	-	167,603	99	41
Financial liabilities								
Trade Payables	70	95,605	-	6,407	-	-	-	-
Long Term Borrowings	1,372	1,975,973	-	-	-	-	-	-
Short Term Borrowings	5,222	7,519,531	-	-	-	-	-	-
	6,664	9,591,109	-	6,407	-	-		-

The following significant exchange rates have been applied during the year.

FOREIGN CURRENCY	Year-end spot rate 31-Mar-20	Year-end spot rate 31-Mar-19
USD	69.45	64.82
EURO	77.91	79.87
AUD	49.30	49.89
NZD	45.23	46.96
HKD	8.85	8.26
GBP	90.50	90.81
SGD	51.23	49.38

Sensitivity analysis

A reasonably possible strengthening / weakening of the respective foreign currencies with respect to the functional currency of Company would result in increase or decrease in profit or loss and equity as shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

	Profit or loss before tax		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
3/31/2020				
5% movement				
USD	(11,213,591)	11,213,591	(7,332,792)	7,332,792
EURO	1,704,258	(1,704,258)	1,114,448	(1,114,448)
AUD	902,169	(902,169)	589,946	(589,946)
NZD	122,897	(122,897)	80,365	(80,365)
GBP	369,991	(369,991)	241,945	(241,945)
SGD	105	(105)	69	(69)
	(8,114,171)	8,114,171	(7,332,792)	7,332,792

	Profit or loss before tax		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
3/31/2019				
5% movement				
USD	(26,165,152)	26,165,152	(17,109,917)	17,109,917
EURO	1,532,784	(1,532,784)	1,002,318	(1,002,318)
AUD	93,580	(93,580)	61,194	(61,194)
NZD	-	-	-	-
GBP	760,973	(760,973)	497,615	(497,615)
SGD	101	(101)	66	(66)
	(23,777,714)	23,777,714	(16,046,404)	16,046,404

Derivative financial instruments

The Company holds derivative financial instruments such as cross currency swaps, foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details of outstanding cross currency swaps and foreign currency forward and options contracts as on 31st March 2020 and 31st March 2019 are as follows:

Type of Derivative	As at 31st March 2020		As at 31st March 2019	
	Amount in Foreign Currency	Amount in INR Lakhs	Amount in Foreign Currency	Amount in INR Lakhs
Cross Currency Swap				
- In USD	1,998,946	1,507	-	-
	1,998,946	**1,507**	**-**	**-**
Forward Contracts				
- In USD	1,000,000	7,284	1,252,000	886
- In Euros	200,000	163	-	-
	1,200,000	**7,447**	**1,252,000**	**886**
Forward Option Contracts				
To Buy				
- In USD	5,371,093	4,049	-	-
	5,371,093	**4,049**	**-**	**-**
To Sell				
- In USD	5,900,000	4,448	-	-
	5,900,000	**4,448**	**-**	**-**

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at 31st March 2020 :

Particulars	Cross Currency Swaps		Option Contracts to Buy		Option Contracts to Sell	
	In USD	Amount in INR Lakhs	In USD	Amount in INR Lakhs	In USD	Amount in INR Lakhs
Not later than one year	726,888	548	2,148,438	1,620	3,500,000	2,639
Later than one year but not later than two year	726,888	548	2,148,438	1,620	2,400,000	1,809
Later than two year but not later than three year	545,170	411	1,074,218	810	-	-
Total	**1,998,946**	**1,507**	**5,371,093**	**4,050**	**5,900,000**	**4,448**

The table below analyzes the relevant maturity groupings of the forward exchange contracts based on the remaining period as at 31st March 2020 and as at 31st March 2019:

Particulars	Forward Contracts			Forward Contracts		
	In USD	In Euro	Amount in INR Lakhs	In USD	In Euro	Amount in INR Lakhs
Not later than one year	1,000,000	200,000	163	1,252,000	-	886
Later than one year but not later than two year	-	-	-	-	-	-
Later than two year but not later than three year	-	-	-	-	-	-
Total	**1,000,000**	**200,000**	**163**	**1,252,000**	**-**	**886**

42 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

Management of the Company has ensured that net worth of the Group has increased and profit from operations of the company has been utilised further in the operations of the Group.

	(Amount in INR Lakhs)	
	31-Mar-2020	**31-Mar-2019**
Total Assets	48,696	43,689
Total Liabilities	25,507	20,147
Net Worth	**23,189**	**23,543**

The Group determines the amount of capital required on the basis of actual business plans coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

	(Amount in INR Lakhs)	
Capital	**As at 31st March 2020**	**As at 31st March 2019**
Long Term Borrowings	4,617	6,378
Short Term Borrowings	10,164	7,282
Total Debt	**14,781**	**13,660**
Equity Share Capital	8,019	7,992
Other Equity	12,848	13,571
Non Controlling Interest	2,173	1,979
Total Equity	**23,040**	**23,542**
Debt-Equity Ratio	**0.64**	**0.58**

Dividends	(Amount in INR Lakhs)	
	March 31 2020	**March 31 2019**
Dividends not recognized at the end of the reporting period	-	799

In addition to the above dividends, since year end the directors have not proposed any payment of a dividend for the year ended 31st March 2020 (31st March 2019: INR 1/-).

43 Business Combination

a) Acquisition of Godwar Farmers Collective Private Limited

During the previous year ended 31st March 2019, the Holding Company had acquired 160,000 equity shares(84.21%) of Godwar Farmers Collective Private Limited (hereinafter referred as Godwar) on 30th March 2019, for a total purchase price of INR 16 lakhs. The acquisiton was done to strengthen the business of the Holding Company

The purchase consideration of INR 16 Lakhs for this business combination was paid in cash.

Calculation of Goodwill

Particulars	Amount in Lakhs(INR)
Consideration Transferred	16
Non Controlling interest in the Acquired Entity	1
Less Fair Value of identifiable net assets and liabilities*	6
	11

***Fair Value of identifiable net assets and liabilities**	
Property, Pant & Equipment	1
Deffered Tax Assets (Net)	5
Trade Receivables	0
Cash and Cash Equivalents	1
Other Current Assets	0
Other current liabilities	(1)
Total identifiable net assets and liabilities	**6**

This goodwill is attributable to the expected synergies on this business combination.

b) Acquisition of Clean Program Corp.(Step Down Subsidiary)

During the previous year ended 31st March 2019, the Holding Company had acquired 50.01% of the outstanding common shares of CLEAN Program Corp (hereinafter referred to as CLEAN) through its wholly owned foreign subsidiary Organic India USA LLC On April 25, 2018, for a total purchase price of USD 2,750,275 that was paid in cash. The wholly owned subsidiary company desired to partner with CLEAN in order to further provide consumers access to healthy lifestyle products. The companies' collective product lines compliment consumers looking for natural alternatives to conventional solutions.

The following table summarizes the approximate acquisition date fair values of the assets acquired andliabilities assumed:

Particulars	Amount in USD
Consideration Transferred	2,750,275
Non Controlling interest in the Acquired Entity	2,749,725
Less Fair Value of identifiable net assets and liabilities*	2,243,200
	3,256,800

***Fair Value of identifiable net assets and liabilities**

Particulars	Amount in USD
Cash	544,400
Inventory	500,000
Prepaid expenses and other assets	134,100
Trade name	1,730,000
Accounts payable	(107,100)
Other current liabilities	(108,400)
Deferred taxes	(449,800)
Total identifiable net assets and liabilities	**2,243,200**

The fair value of the intangible assets and noncontrolling interest in CLEAN was determined on the basis of an independent valuation, which used the relief from royalty and the weighted average return on assets approaches. This fair value measurement is based on significant inputs that are not observable in the market. Key assumptions include; forecasted revenue, cost of sales, operating expenses, capital expenditures, and net working capital.

44 RELATED PARTY DISCLOSURES

A Names of Related parties where control exists

Holding Company
- M/s Fabindia Overseas Private Limited

Associate Company
- M/s Nutriwel Health (India) Private Limited (w.e.f. 6th March 2019)

Key Management Personnel
Mr. Yoav Lev
Mr. Dinesh Kumar
Mr. Vikram Singh
Mr. Mukesh Kumar Chauhan
Ms. Elizabeth Nanda
Mr Subrata Dutta
Mr. Paul C. Salins (upto 31st July 2018)
Mr. Pankaj Pachauri
Mr. Laurent Chappuis
Mr. William Nanda Bissell (w.e.f. 10th August 2018)
Mrs. Holly B Lev (w.e.f. 10th August 2018)

Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year
- M/s OI (India) Holding, LLC
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited
- M/s LEV True Wellness Private Limited
- M/s Organic India Farmers Producer Company Limited
- M/s Organic India Foundation
- M/s OI (US) Holdings, LLC
- Mazumdar Shaw Medical Foundation

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B Summary of related party transactions

(Amount in Rs.)

Particulars	Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel		Total	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Sale of Goods	2,509	1,247	273	19	1	0	-	-	2,783	1,266
Purchase of Raw Material	-	-	-	-	828	805	-	-	828	805
Interest Income	-	-	107	8	-	-	-	-	107	8
Royalty income	-	-	0	-	-	-	-	-	0	-
Rental income	-	-	0	-	-	-	-	-	0	-
Remuneration (Including Leave Travel Allowance)	-	-	-	-	-	-	21	18	21	18
Legal and Professional Expenses	-	-	8	1	-	-	34	144	42	145
Director's Commission	-	-	-	-	-	-	441	320	441	320
Issue and Allotment of Equity Shares	-	911	-	-	-	789	-	24	-	1,724
Issue and Allotment of Equity Shares (ESOP)	-	-	-	-	-	-	1	2	1	2
Dividend Paid	424	415	-	-	367	-	1	-	792	415
Security Deposit Paid	55	26	-	-	-	-	-	-	55	26
Margin difference Claim	51	9	-	-	-	-	-	-	51	9
Rent	165	52	-	-	6	6	-	-	171	58
Interest expense	5	-	-	-	-	-	-	-	5	-
Repairv& Maintenance	-	3	-	-	-	-	-	-	-	3
Royalty	151	29	-	-	-	-	-	-	151	29
Reimbursement of Expenses	41	17	-	-	1	-	-	-	42	17
Freight Expenses	-	-	15	4	-	-	-	-	15	4
Business Support Expenditure	684	116	-	-	-	-	-	-	684	116
Advance Received	-	427	-	-	-	-	-	-	-	427
Advance Repaid/Adjusted	-	384	-	-	-	-	-	-	-	384
Purchase of Fixed Assets	16	70	-	-	-	-	-	-	16	70
Miscellaneous Receipts	19	3	-	-	-	-	-	-	19	3
Corporate Social Responsibility Expenses	-	-	-	-	97	80	-	-	97	80
Investment in Debentures	-	-	-	900	-	-	-	-	-	900
Purchase of Equity Shares	-	-	-	-	-	-	-	16	-	16
Sale of Equity Shares	-	-	-	-	-	-	-	2	-	2
Loan taken	-	-	-	-	-	210	47	-	47	210
Loan repayment received during the year	-	-	-	-	-	838	-	-	-	838
Interest On Loan	-	-	-	-	-	170	1	-	1	170

Particulars	Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Balances Outstanding								
Receivables	518	-	1,375	1,239	1	7	-	-
Payables	1,419	342	4	5	185	1,611	332	313

Terms and conditions:
1. All transactions with these related parties are priced on an arm's length basis.
2. None of the balances outstanding are secured.
3. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Compensation of Key Management Personnel

The remuneration of director and other member of Key Management Personnel during the year was as follows:

Particulars	**2019-2020**	**2018-2019**
Short-Term Benefits	494	476
Post-Employment Benefits	-	-
Other Long-Term Benefits	-	-
Share-Based Payments	2	6
Termination Benefits	-	-
Dividend Paid	1	-
Total compensation paid to key management personnel	**497**	**482**

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

C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Sale of Goods								
- M/s Fabindia Overseas Private Limited	2,509	1,247	-	-	-	-	-	-
- M/s Nutriwel Health (India) Private Limited	-	-	273	19	-	-	-	-
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	1	-	-	-
- M/s Organic India Foundation	-	-	-	-	0	0	0	0
Purchase of Raw Material								
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	38	37	-	-
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	34	58	-	-
- M/s LEV True Wellness Private Limited	-	-	-	-	756	710	-	-
Interest Income								
- M/s Nutriwel Health (India) Private Limited	-	-	107	8	-	-	-	-
Royalty Income								
- M/s Nutriwel Health (India) Private Limited	-	-	0	-	-	-	-	-
Rental Income								
- M/s Nutriwel Health (India) Private Limited	-	-	0	-	-	-	-	-
Remuneration (Including LTA, Exgratia, Leave Encashment, Perquisite)								
- Mr. Dinesh Kumar	-	-	-	-	-	-	21	18
Legal and Professional Expenses								
- M/s Nutriwel Health (India) Private Limited	-	-	8	1	-	-	-	-
- Mr. Vikram Singh	-	-	-	-	-	-	12	12
- Mr. Pankaj Pachauri	-	-	-	-	-	-	12	12
- Mr. Paul C. Salins	-	-	-	-	-	-	10	120
Director's Commission								
- Mr. Yoav Lev	-	-	-	-	-	-	58	107
- Mrs. Holly B Lev	-	-	-	-	-	-	58	107
- Mr. Mukesh Kumar Chauhan	-	-	-	-	-	-	36	38
- Ms. Elizabeth Nanda	-	-	-	-	-	-	20	38
- Mr. William Nanda Bissell	-	-	-	-	-	-	248	-
- Mr. Paul C. Salins	-	-	-	-	-	-	-	11
- Mr. Laurent Chappuis	-	-	-	-	-	-	20	19

C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Issue and Allotment of Equity Shares								
- M/s Fabindia Overseas Private Limited	-	911	-	-	-	-	-	-
- M/s OI (India) Holding, LLC	-	-	-	-	-	789	-	-
- Mr. Paul C. Salins	-	-	-	-	-	-	-	24
Issue and Allotment of Equity Shares (ESOP)								
- Mr. Dinesh Kumar	-	-	-	-	-	-	1	2
Dividend Paid								
- M/s Fabindia Overseas Private Limited	424	415	-	-	-	-	-	-
- M/s OI (India) Holding, LLC	-	-	-	-	367	-	-	-
- Mr. Dinesh Kumar	-	-	-	-	-	-	1	0
Security Deposit Paid								
- M/s Fabindia Overseas Private Limited	55	26	-	-	-	-	-	-
Margin Differene Claim								
- M/s Fabindia Overseas Private Limited	51	9	-	-	-	-	-	-
Rent								
- M/s Fabindia Overseas Private Limited	165	52	-	-	-	-	-	-
- Mazumdar Shaw Medical Foundation	-	-	-	-	6	6	-	-
Interest Expense								
- M/s Fabindia Overseas Private Limited	5	-	-	-	-	-	-	-
Repair & Maintenance								
- M/s Fabindia Overseas Private Limited	-	3	-	-	-	-	-	-
Royalty								
- M/s Fabindia Overseas Private Limited	151	29	-	-	-	-	-	-
Reimbursement of Expenses								
- M/s Fabindia Overseas Private Limited	41	17	-	-	-	-	-	-

C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Reimbursement of processing Fee Herbs								
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	1	-	-	-
Reimbursement of certification expenses								
- M/s Organic India Farmers Producer Co. Limited	-	-	-	-	0	-	-	-
Freight Outward								
- M/s Nutriwel Health (India) Private Limited	-	-	15	4	-	-	-	-
Business Support Expenditure								
- M/s Fabindia Overseas Private Limited	684	116	-	-	-	-	-	-
Advance Received								
- M/s Fabindia Overseas Private Limited	-	427	-	-	-	-	-	-
Advance Repaid/Adjusted								
- M/s Fabindia Overseas Private Limited	-	384	-	-	-	-	-	-
Purchase of Fixed Asset								
- M/s Fabindia Overseas Private Limited	16	70	-	-	-	-	-	-
Miscellaneous Receipts								
- M/s Fabindia Overseas Private Limited	19	3	-	-	-	-	-	-
Corporate Social Responsibility Expenses								
- M/s Organic India Foundation	-	-	-	-	97	80	-	-
Investment in Debentures								
- M/s Nutriwel Health (India) Private Limited	-	-	-	900	-	-	-	-
Purchase of Equity shares of M/s Godwar Farmers Collective Private Limited								
- William Nanda Bissell	-	-	-	-	-	-	-	16
Sale of Equity Shares in M/s Lev True Wellness Private Limited								
- Mrs. Holly B Lev	-	-	-	-	-	-	-	2

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C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Loan taken								
- M/s OI (US) Holdings, LLC	-	-	-	-	-	210	-	-
- Mr. Paul C. Salins	-	-	-	-	-	-	47	-
Loan repayment received during the year								
- M/s OI (US) Holdings, LLC	-	-	-	-	-	838	-	-
Interest On Loan								
- M/s OI (US) Holdings, LLC	-	-	-	-	-	170	-	-
- Mr. Paul C. Salins	-	-	-	-	-	-	1	-

C Transactions with the related parties which have been entered into during the year are as follows:

Particulars	Holding Company		Associate Company		Entities controlled by Director's and Shareholders and those excercising significant influence with whom the companies have transactions during the year		Key Management Personnel	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Receivables								
- M/s Fabindia Overseas Private Limited	518	-	-	-	-	-	-	-
- M/s Nutriwel Health (India) Private Limited - Debenture	-	-	1,191	1,191	-	-	-	-
- M/s Nutriwel Health (India) Private Limited - Trade Receivables	-	-	76	36	-	-	-	-
- M/s Nutriwel Health (India) Private Limited - Others	-	-	108	12	-	-	-	-
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	1	7	-	-
Payables								
- M/s Fabindia Overseas Private Limited	1,419	342	-	-	-	-	-	-
- M/s Nutriwel Health (India) Private Limited	-	-	4	5	-	-	-	-
- M/s Ganga Yamuna Agro Technologies and Plantation Private Limited	-	-	-	-	3.00	-	-	-
- M/s OI (US) Holdings, LLC	-	-	-	-	-	1,361.00	-	-
- M/s LEV True Wellness Private Limited	-	-	-	-	182	249	-	-
- M/s Organic India Farmers Producer Co.Limited	-	-	-	-	-	-	-	-
-Mazumdar Shaw Medical Foundation	-	-	-	-	1	1	-	-
- Mr. Yoav Lev	-	-	-	-	-	-	58	107
- Mrs. Holly B Lev	-	-	-	-	-	-	58	107
- Mr. Mukesh Kumar Chauhan	-	-	-	-	-	-	36	38
- Ms. Elizabeth Nanda	-	-	-	-	-	-	20	38
- Mr. William Nanda Bissell	-	-	-	-	-	-	87	-
- Mr. Paul C. Salins	-	-	-	-	-	-	48	-
- Mr. Laurent Chappuis	-	-	-	-	-	-	20	19
-Mr. 'Dinesh kumar	-	-	-	-	-	-	-	-
- Mr. Vikram Singh	-	-	-	-	-	-	2	3
- Mr. Pankaj Pachauri	-	-	-	-	-	-	3	3

45 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

-Provident fund/ Pension Scheme

An amount of INR. 98 lakhs (Previous Year INR. 84 lakhs) has been recognised as an expense in respect of the Group's contribution to Provident Fund deposited with the relevant authorities and has been shown under personnel expenses in the Statement of Profit and Loss. Out of the said amount, an amount of INR. 2 lakhs has been recognised with respect to the discontinued operations.
The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(b) Defined benefit plans

-Contribution to Gratuity fund

The Group has defined benefit gratuity plan(funded) wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

-Compensated absences - Earned leave

Employees are eligible to encash unutilized earned leaves in excess of 60 days at the end of each calendar year. Encashment will be made on the basic salary.
Actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate of 6.50% p.a. (Previous Year 7.35% p.a.) compound, has been used in consultation with the employer.

Salary Growth Rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. The assumptions used are summarized in the following table:

	Gratuity (Funded)		**Compensated Absences Earned Leave (Non Funded)**	
	As At 31 March 2020	**As at 31 March 2019**	**As at 31 March 2020**	**As at 31 March 2019**
Discount rate(per annum)	6.50%	7.35%	6.50%	7.35%
Future salary increase(per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	6.50%	7.35%	0.065	0
In service mortality	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Retirement Age	60 years	60 years	60 years	60 years
Withdrawal rates : Ages/ withdrawal rate	10.00%	10.00%	10.00%	10.00%

(Amount in INR Lakhs)

	Gratuity (Funded)		Compensated Absences (Non Funded)	
	2019-20	2018-19	2019-20	2018-19
1. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at the beginning of the year	279	232	122	88
Interest Cost	20	17	8	6
Current Service Cost	46	39	34	26
Past Service Cost	-	-	-	-
Benefits Paid	(9)	(7)	(21)	(8)
Actuarial (gain)/loss on obligation	17	(2)	10	10
Defined Benefit Obligation at the end of the year	**353**	**279**	**153**	**122**
2. Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	231	191	-	-
Expected return on Plan Assets	17	14	-	-
Employer Contribution	3	32	-	-
Benefits Paid	(9)	(7)	-	-
Actuarial gain/(loss) on plan assets	(3)	1	-	-
Fair value of plan assets at the end of the year	**239**	**231**	**-**	**-**
3. Reconciliation of fair value of Assets and Obligations				
Fair value of Plan Assets	239	231	-	-
Present value of Obligation	353	279	153	122
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(114)**	**(48)**	**(153)**	**(122)**
Less Liabilities classified as Held for sale for discontinued operations	**(2)**	**-**	**-**	**-**
Amount recognized in Balance Sheet for Continuing Operations(Surplus/(Deficit))	**(112)**	**(48)**	**(153)**	**(122)**
4. Expenses recognized in Statement of Profit and Loss *				
Current service cost	46	39	34	26
Net Interest Cost	3	3	8	6
Past Service Cost	-	-	-	-
Net actuarial (gain)/loss recognized in the period	-	-	10	10
Net Expense	**49**	**42**	**52**	**42**
Net Expense attributable to Discontinued Operations	**3**	**-**	**-**	**-**
Net Expense attributable to Continuing Operations	**46**	**42**	**52**	**42**
5. Expenses recognized in Other Comprehensive Income				
Actuarial (gain)/loss for the year on Obligation	17	(2)	-	-
Actuarial (gain)/loss for the year on Plan Assets	3	(1)	-	-
Net (Income)/Expense in OCI	**20**	**(3)**	**-**	**-**

* Includes an amount of Rs. Nil (Previous Year : INR 9 lakhs) for employees transferred under agreement with Fabindia Overseas Private Limited.

6. Major categories of Plan Assets (as percentage of total Plan Assets):

	Gratuity (Funded)		Compensated Absences Earned Leave (Non Funded)	
	2019-20	2018-19	2019-20	2018-19
Government of India Securities	0.00%	0.00%	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%	0.00%	0.00%
Equity Shares of Listed Companies	0.00%	0.00%	0.00%	0.00%
Real Estate/ Property	0.00%	0.00%	0.00%	0.00%
Cash (including special deposit)	0.00%	0.00%	0.00%	0.00%
Others (including assets under schemes of Insurance)	100.00%	100.00%	0.00%	0.00%
Total	**100.00%**	**100.00%**	**0.00%**	**0.00%**

7. Sensitivity Analysis of the Defined Benefit Obligation:
Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in INR Lakhs)

Particulars	31st March 2020		31st March 2019	
	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%
Impact of the change in Discount Rate (0.50% movement)	(339)	365	(268)	287
Impact of the change in Salary Increase Rate (0.50% movement)	363	(341)	286	(268)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

8. Description of Risk Exposures:
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as f
A). Salary Increases - Actual salary increases will increase the Plan’s liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
B). Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
C). Discount Rate - Reduction in discount rate in subsequent valuations can increase the Plan’s liability.
D). Mortality & Disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
E). Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan’s liability.

46 EMPLOYEE STOCK OPTION PLAN

The members of the Holding Company has approved Organic India Private Limited Employee Stock Option Plan (ESOP) 2016 ('the Plan') in the meeting held on September 30, 2016. The Plan provides for grant of equity share options to the eligible employees including Directors of the Company and the Subsidiary Company (excluding independent directors) as determined by the Remuneration Committee of the Board of Directors from time to time, subject to terms and conditions specified in the Plan and Employee Stock Option Agreements/Grant Letters.

Information in respect of the Employee Stock Options granted upto 31st March, 2020 under the Plan:

Scheme	Year	Date of Grant	Numbers of Options granted	Vesting Period	Exercise Period	Exercise Price (Rs.) per share	Weighted Average Exercise Price (Rs.) per share
Organic India Private Limited ESOP 2016	2016 - 2017	st October, 2016	476,584	One year from the date of grant i.e. Up to 30th September, 2017	30 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2017 - 2018	1st May 2017	248,453	One year from the date of grant i.e. up to 30th April, 2018	60 days from the date of vesting	10	10
Organic India Private Limited ESOP 2016	2018 - 2019	1st May 2018	279,833	One year from the date of grant i.e. up to 30th April, 2019	90 days from the date of vesting	10	10

a) Movement in Employee Stock Options during the year:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	279,833	10	248,453	10
Granted during the year	-	10	279,833	10
Forfeited during the year	-	-	-	-
Exercised during the year	273,667	10	248,453	10
Expired/ Lapsed during the year	6,166	10	-	10
Outstanding at the end of the year	-	10	279,833	10
Exercisable at the end of the year	-	-	-	-

b) Fair Value on the Grant Date:
The fair value at the grant date is determined using Black Scholes Model which takes into account the exercised price, the term of the option, the share price at the grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Fair Value at Grant Date	(Amount in INR)
1st October, 2016	20.67
1st May 2017	24.22
1st May 2018	27.62

The significant assumptions used to ascertain fair value of each Option in accordance with Black Scholes model:

	2019-20	2018-19 1st May 2018
Risk-free Interest Rate	0.00%	7.60%
Expected Life of Option (in years)	0	1
Volatility of Underlying Stock	0.00%	62.16%
Dividend Yield	0.00%	0.00%

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities or Government bonds.

c) The effect of share-based payment plan on the Financial Statements:

	2019-20 (Amount in INR lakhs.)	2018-19 (Amount in INR lakhs.)
Expense arising from employee share-based payment plan	6	76
Liability arising from employee share-based payment plan	-	71

47 Discontinued operations

(a) Disposal of a Godwar Farmers Collective Private Limited

On 31st August, 2019, the Holding Company entered into a Share Purchase Agreement with IFIS Corporate Advisory Services Private Limited for divestment of its entire stake in Godwar Farmers Collective Private Limited, the subsidiary of the Holding Company.

The said transaction was concluded on 1st September, 2019. The loss of discontinued operations and the resultant loss on disposal has been included in the consolidated financial statements as loss from discontinued operations.

(i) Analysis of loss for the year from discontinued operations:

The results of the discontinued operations included in the profit for the year are as set below.

The comparative results and cash flow from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

		For the period 1st April 2019 to 31st August 2019 (Amount in INR Lakhs)
Revenues		
Revenue from Operations		2
Other Income		-
Total Revenues	-	**2**
Expenses		
Purchase of Stock in Trade		1
Employee Benefit Expense		6
Depreciation & Amortisation Expense		0
Other Expenses		6
Total Expenses	-	**13**
(Loss) before tax from discontinued operations	-	(11)
Less Tax Expense/(Income) of Discontinued Operations		0
(Loss) after tax from discontinued operations	**-**	**(11)**

(ii)Analysis of cash flows for the year from discontinued operations:

	For the period 1st April 2019 to 31st August 2019
Net cash (outflow) from operating activities	3
Net cash (outflow) from investing activities	(2)
Net cash (outflow) from financing activities	-

iii) Computation of loss on disposal of the subsidiary

Cash consideration received	16
Less: Carrying value of net asset sold*	(5)
Less: Goodwill on acquisition	11
Add: Share of Non Controlling Interest	(1)
Profit on Disposal	**9**

***Carrying value of net asset sold**

	As at 31st August 2020
Assets	
Non Current Assets	
Property, Plant And Equipment	3
Deferred Tax Assets	5
Other Non-Current Assets	0
Current Assets	
Financial Assets	
Trade Receivables	1
Cash And Cash Equivalents	2
Total Assets	**11**
Liabilities	
Current Liabilities	
Other Current Liabilities	17
Total Liabilities	**17**
Net assets derecognised	**(6)**

(b) Assets Classified as Held for Sale

The Holding Company has entered into a Share Purchase Agreement dated 12th March 2020 for disinvestment of its entire equity investment held in Composite Interceptive Med Science Laboratories Private Limited(CIMED), the Subsidiary Company for INR 1,60,000 with the present shareholders and the prospective investors of the said subsidiary company. The said transaction of sale of equity shares was executed on 4th April 2020 on achievement of the closing conditions as defined in the said Share Purchase agreement. Accordingly, all the assets and the liabilities of the said subsidiary have been disclosed under “Assets classified as held for sale and discontinued operations” / “Liabilities directly associated with assets classified as held for sale and discontinued operations” in the Consolidated Balance Sheet in accordance with the provisions of Indian Accounting Standard 105 – ‘Non-current Assets Held for Sale and Discontinued Operations’.

Financial performance and cash flows of CIMED,the Subsidiary Company is as below:

(i) Analysis of profit / (loss) from discontinued operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (loss) for the year from discontinued operations		
Revenue From Operations	1	-
Other Income	8	2
Total Income	**9**	**2**
Employee Benefit Expense	113	193
Finance Cost	8	-
Depreciation & Amortisation Expense	25	5
Other Expenses	50	253
Total Expenses	**196**	**451**
(Loss) Before Tax from Discontinued Operations	**(187)**	**(449)**
Tax Expense:		
Current tax	-	-
Deferred tax	-157	162
(Loss) for the Year from Discontinued Operations	**(344)**	**(287)**

Total Comprehensive Income For The Period from Discontinued Operations

Net cash (outflows) / inflows from operating activities	(71)	-
Net cash used in investing activities	(1)	-
Net cash (outflows) / inflows from financing activities	20	-
Net cash (outflows) / inflows	**(52)**	**-**

(iii) Book value of assets and liabilities of discontinued operations

Details of Assets Held for Sale of Discontinued Operations

	As at March 31, 2020	**As at March 31, 2019**
Non Current Assets		
Property, Plant And Equipment	69	-
Intangible Assets	0	-
Right Of Use Assets	73	-
Financial Assets	-	-
Loans	4	-
Deferred Tax Assets (Net)	4	-
Other Non-Current Assets	0	-
Current Assets		
Financial Assets	-	-
Cash And Cash Equivalents	2	-
Current Tax Assets (Net)	4	-
Other Current Assets	38	-
Total Assets	**194**	**-**

Details of Liabilities directly associated with the Discontinued Operations

Non-Current Liabilities		
Borrowings	47	-
Other Financial Liabilities	64	-
Deferred Tax Liabilities (Net)	-	-
Provisions	3	-
Current Liabilities		
Trade Payables	3	-
Other Financial Liabilities	25	-
Other Current Liabilities	7	-
Total Liabilities	**149**	**-**
Net Assets	**45**	**-**

48 Additional information, as required under Schedule III to the Companies Act, 2013, in respect of enterprises consolidated.

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount in INR Lakhs	As % of consolidated profit or loss	Amount in INR Lakhs	As % of consolidated other comprehensive income	Amount in INR Lakhs	As % of consolidated total comprehensive income	Amount in INR Lakhs
Parent								
Organic India Private Limited	74.16	17,087	420.48	1,110	96.10	74	347.26	1,184
Subsidiaries								
Domestic								
- Composite Interceptive Med-Science Laboratories Private Limited	0.19	43	(130.29)	(344)	2.60	2	(100.28)	(342)
- Godwar Farmers Collective Private Limited	-	-	(3.41)	(9)	-	-	(2.64)	(9)
Foreign								
- Organic India USA LLC	(1.62)	(374)	(341.30)	(901)	-	-	(264.24)	(901)
- The Clean Program Corp.*	18.06	4,162	131.81	348	-	-	102.05	348
Non Controlling Interest	9.43	2,173	39.38	104	-	-	30.49	104
Associates								
- Nutriwel Health (India) Private Limited	(0.22)	(50)	(16.68)	(44)	1.30	1	(12.64)	(43)
Total	**100.00**	**23,041**	**100.00**	**264**	**100.00**	**77**	**100.00**	**341**

49 Impairment

The Group has not recognized any loss on impairment in respect of assets of the Company in terms of Indian Accounting Standard (Ind AS) 16 on "Property, Plant and equipment"/ Indian Accounting Standard (Ind AS) 36 on Ïmpairment of Assets" since in the opinion of the Management, as confirmed by the Board of Directors, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of the assets at the subsidiaries the impairment testing is based on the realizable value of underlying assets as reviewed and tested at the level of the Board of Directors at the subsidiary and as confirmed by the Board of Directors of the Company.

50 Due to Micro, Small And Medium enterprises as defined under the MSMED Act, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
	(Amount in INR Lakhs)	**(Amount in INR Lakhs)**
Principal amount due to micro and small enterprises	324	138
Interest due on above	-	-
Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of	-	-
payments made to supplier beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but	14	10
beyond the appointed day) but without adding the interest specified under the MSMED Act, 2006.	-	-
Amount of interest accrued and remaining unpaid	23	10

51 Transitional Provision as per IND AS 115 ON Revenue from contracts with customers

The Group has adopted Ind AS 115, Revenue from contract with customers from 1st April 2018 which resulted in change in acccounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in Ind AS 115, the Group has adopted the new rules with cumulative catch up transition method. As a result of change in accounting policies, adjustments to the transition provision has been made in the respective item as on 1st April 2018 with the corresponding impact to equity net of tax. Details of changes made in item along with the equity has been given below in table:-

(Amount in INR Lakhs)

PARTICULARS	**AS AT 31ST MARCH 2018 (REPORTED AS PER EARLIER ACCOUNTING POLICIES)**	**ADJUSTMENTS ON ADOPTION OF NEW STANDARDS**	**AS AT 1ST APRIL 2018 (RESTATED BALANCE ON ADOPTION OF NEW STANDARDS)**
DEFERRED TAX ASSET	615	20	635
OTHER CURRENT FINANCIAL LIABILITIES	674	70	744
OTHER EQUITY	11,065	(50)	11,015

52 Other notes

(a) From the year ended 31st March, 2015, the provisions pertaining to Corporate Social Responsibility (CSR) as prescribed under the Act are applicable to the Holding Company. The CSR committee of the Holding Company provides an oversight of CSR policy execution to ensure that CSR objectives of the Holding Company are met.

The financial details as sought by the Act are as follows:

(Amount in INR Lakhs)

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Average net profits of the Company for last three financial years (as per IGAAP)	4,775	4,828
Prescribed CSR expenditure (2% of the average net profit)	96	97
Details of CSR expenditure during the year:		
Total amount to be spent for the financial year	96	97
Amount spent for the year	98	98

(b) Debit and credit balances of trade payables, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties.

(c) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Group other then fixed assets and non-current investments, and have come to a conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the balance sheet. On account of outbreak of Covid-19 impact, there may be certain delays in recoveries of Current Assets/ Loans and Advances but there is not likely to be any material reduction in values. Although Management expects a slowdown, there are no plans to downsize the Group's operations presently or in the near future.

(e) The Holding Company had transferred certain land for INR 331 Lakhs to Ganga Yamuna Agro Technologies and Plantation Private Limited (the Company in which director is interested) in the financial year 2012-13. The Holding Company is in the process of executing the sale deed for the said land.

(i) Previous year figures have been regrouped and rearranged whereever necessary to make them comparable.

"Signatures to Notes 1 to 52"

"AS PER OUR REPORT OF EVEN DATE"

FOR A. PURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NUMBER: 009203N

ON BEHALF OF BOARD OF DIRECTORS

JYOTI SUBARWAL
PARTNER
MEMBERSHIP NUMBER: 080654

PLACE: NEW DELHI
DATE: 24 AUG 2020

VIKRAM SINGH
DIRECTOR
DIN: 07153318
PLACE:NEW DELHI
DATE: 20 AUG 2020

DINESH KUMAR
DIRECTOR
DIN: 00124932
PLACE:LUCKNOW
DATE: 21 AUG 2020

ABHINANDAN DHOKE
CHIEF EXECUTIVE OFFICER

PLACE:NEW DELHI
DATE: 20 AUG 2020

ALOK KUMAR
M.NO- A26369
COMPANY SECRETARY
PLACE:LUCKNOW
DATE: 21 AUG 2020

VIKASH
CHIEF FINANCIAL OFFICER

PLACE:NEW DELHI
DATE: 20 AUG 2020

OTHER FINANCIAL INFORMATION

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Indian Accounting Standards, i.e., Ind AS – Related Party Disclosures, entered into by our Company for Fiscal 2024 and Fiscal 2023, see "*Financial Statements – Note 39: Related Party Transaction*" on page 187.

ACCOUNTING RATIOS

Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements included in the section entitled "*Financial Statements*" beginning on page 111:

Particulars	Consolidated	
	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Basic EPS (in ₹)	12.32	13.02
Diluted EPS (in ₹)	12.32	13.02
Return on Net Worth (in %)	7.57	7.69
Net Asset Value per Equity Share (in ₹)	168.52	175.20
EBITDA (in ₹ crore)	2,323.43	1,873.92

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Net Profit for the year attributable to owners of the Company/ weighted average number of Equity Shares outstanding during the year
Diluted EPS	Net Profit for the year attributable to owners of the Company/weighted average number of Equity Shares outstanding during the year as adjusted for effective of dilutive equity shares
Return on Net Worth	Net Profit for the year attributable to owners of the Company/Net Worth
Net Asset Value per Equity Share	Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year
EBITDA	EBITDA is calculated as profit before exceptional items and tax plus finance costs, depreciation and amortization expenses, excluding other income (other than other non-operating income)

(a) Calculation of Net Worth and Return on Net Worth:

(₹ in crore)

Particulars	Consolidated	
	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Profit attributable to owners of the Company (A)	1,150.33	1,203.77
Equity Share capital (B)	95.28	92.90
Other equity(C)	15,961.51	16,183.81
Capital reserve, amalgamation reserve, revaluation reserve and other comprehensive income (D)	(852.21)	(620.29)
Net Worth (E)= [B + C + D]	15,204.58	15,656.42
Return on Net Worth [A / E] * 100 (%)	7.57	7.69

(b) Calculation of Net asset value per Equity Share:

(₹ in crore, except per share data)

Particulars	Consolidated	
	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Equity Share capital (A)	95.28	92.90
Other equity (B)	15,961.51	16,183.81
Net asset (C) [A + B]	16,056.79	16,276.71
No. of Equity shares issued, subscribed and fully paid outstanding (D)	95,28,34,816	92,90,11,650
Net Asset Value per Equity Share [C / (D/10^7] (₹)	168.52	175.20

(c) Calculation of EBITDA:

(₹ in crore)

Particulars	Consolidated	
	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Profit for the year (A)	1,215.40	1,320.14
Total tax expense (B)	394.73	447.04
Other finance cost (C)	129.81	87.16
Depreciation and amortisation expense (D)	377.15	304.08
Exceptional items (E)	327.04	(159.45)
Share in (profit)/loss of equity accounted investees (F)	85.59	26.38
Other income (interest income, dividend income, fair value movement in financial instruments at fair value through profit or loss, gains on current investments (net)) (G)	(206.29)	(151.43)

Particulars	Consolidated	
	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
EBITDA (H) = [A+B+C+D+E+F+G]	2,323.43	1,873.92

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 111. Unless otherwise indicated or the context requires, the financial information for Fiscal 2024 and Fiscal 2023 included herein is derived from our Audited Consolidated Financial Statements, as of and for the year ended March 31, 2024 and 2023.

Our Audited Consolidated Financial Statements as of and for the year ended March 31, 2024 and 2023 in this Letter of Offer have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the SEBI ICDR Regulations, each as amended. These financial statements may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS and U.S. GAAP. Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year.

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 14 for a discussion of the risks and uncertainties related to those statements. You should also read the sections "Risk Factors", "Industry Overview", "Financial Statements" and "Our Business" on pages 16, 70, 111 and 95, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Prospective investors in the Equity Shares are cautioned not to place undue reliance on these forward-looking statements.

Unless otherwise specified or the context requires, references in this section to the "Company" or the "Issuer" are to Tata Consumer Products Limited on a standalone basis, and references to "Group", "we", "us" or "our" are to Tata Consumer Products Limited and its consolidated subsidiaries, associates and joint venture companies as per Ind AS, as at and during the relevant year or period end and as the context requires.

OVERVIEW

We are a food and beverage company with a diversified product portfolio and are present in multiple geographies globally. We classify our operations into branded business, non-branded business and businesses we conduct through our joint ventures and associates:

Branded Business	
India Business	
Core	
Packaged Beverages	Tea, coffee
Foods / Packaged Foods	Salt
Growth	
Pantry platform	Pulses, besan, poha and other staples Spices Dry fruits Ready-to-cook products Organic packaged food Schezwan chutney, sauces, non-India masalas Others (makhana, daliya, among others)
Liquids platform	Natural mineral water, fortified water, juice and ready-to-serve products
Mini meals	Breakfast cereals, snacks Ready-to-eat products Soups, instant noodles
Horizon 3 platforms (large future plays as per our Company)	Plant protein platform Herbal supplements Others (cold pressed oils and apple cider vinegar)
International Business	United Kingdom, United States, Canada, Europe, Australia, Middle East and South Africa
Core	
Packaged Beverages	Tea, coffee
Growth	
Pantry platform	Salt, spices, pulses Ready-to-cook products / frozen products

	Schezwan chutney, sauces, non-Indian masalas
Mini meals	Breakfast cereals Ready-to-eat products Noodles
Horizon 3 platforms (large future plays)	Herbal supplements
Non-branded business	Plantations (primarily Tata Coffee) Solubles (Tea and coffee extraction)
Joint ventures and associates	Tata Starbucks Private Limited Amalgamated Plantations Private Limited (41.03%) Kanan Devan Hills Plantations Company Private Limited (28.52%)

Further, on January 12, 2024, we entered into a share purchase agreement with Capital Foods Private Limited ("**Capital Foods**"), Artal Asia Pte. Limited, General Atlantic Singapore CF Pte. Limited, Ajay Gupta and Wildflower Private Trust and acquired 75% equity interest of Capital Foods effective from February 1, 2024, while the remaining 25% will be acquired within the next three years. Capital Foods owns the brands 'Ching's Secret' and 'Smith & Jones'. We also entered into a share purchase agreement with Organic India Private Limited ("**Organic India**") and Fabindia Limited on January 12, 2024 and acquired 99.99% equity interest of Organic India, which has organic brands in the food and beverages and herbal and traditional supplements categories. For further details, see *"- Strategies - Drive synergies through the integration and simplification of our operations"* on page 98.

The following table sets forth details of our segment information as per Ind AS 108 – operating segments, revenue from operations, total income, EBITDA and EBITDA Margin for the years indicated:

(₹ in crore, except percentages)

	Fiscal 2024	Fiscal 2023	Year-on-Year Growth (%)
Branded Business			
India Business	9,736.47	8,716.98	11.7%
International Business	3,925.43	3,589.47	9.4%
Total Branded	13,661.90	12,306.45	11.0%
Non Branded Business	1,577.39	1,500.07	5.2%
Total Segment Revenue	15,239.29	13,806.52	10.4%
Others	57.54	48.68	18.2%
Inter-Segment Revenue	(90.98)	(72.04)	26.3%
Revenue from operations	15,205.85	13,783.16	10.3%
Total Income	15,451.47	13,952.04	10.7%
EBITDA(1)	2,323.43	1,873.92	24.0%
EBITDA Margin(2)	15.28%	13.60%	12.4%
Profit before tax	1,695.72	1,793.56	(5.5)%
Profit for the year	1,215.40	1,320.14	(7.9)%
Operating cash flow before tax to EBITDA(3)	100.48%	98.72%	1.8%

(1) *EBITDA is calculated as profit before exceptional items and tax plus finance costs, depreciation and amortization expenses, excluding other income (other than other non-operating income).*

(2) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*

(3) *Operating cash flow before tax to EBITDA, as a percentage. Operating cash flow before tax is calculated as net cash from/ (used in) operating activities plus direct taxes paid (net).*

For a reconciliation of EBITDA, EBITDA Margin and operating cash flow before tax to EBITDA, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Reconciliation of non-GAAP Measures" on page 849.

Significant Factors Affecting Our Results of Operations

Commodity prices and packaging material costs

Our cost of materials consumed constitutes the largest component of our cost structure comprising raw materials and packing materials that we require for our operations. In Fiscals 2024 and 2023, Cost of Goods Sold were ₹ 8,563.91 crore and ₹ 8,005.71 crore, accounting for 56.32% and 58.08% of our revenue from operations, respectively. We are thus exposed to fluctuations in cost and availability of our raw materials and there may be a time lag before we may effectively pass on all increases in cost of raw materials to our customers. Our ability to pass on the increases in cost of raw materials to our customers is also subject to prevailing market conditions. If we fail to pass on the increases in cost of raw materials, our margins, sales and overall results may be negatively affected.

Our raw material requirements include coffee, tea and salt, as well as packaging materials. Raw teas are mainly sourced from Africa (primarily for international markets) as well as North and South Indian plantations through a combination of auctions, private buying and forward purchase contracts. Coffee is purchased through purchase mechanisms such as futures, differentials and structured deals. We procure vacuum evaporated iodized salt for our 'Tata Salt' brand primarily from Tata Chemicals Limited, with whom we have entered into a long term supply agreement. We also require other raw materials such as pulses, dry fruits, beaten rice and gram flour.

The price of commodities is subject to fluctuations that may affect our profitability. Commodity prices may fluctuate due to several factors including those beyond our control such as world supply and demand, weather patterns, crop yields, trade disputes between governments of key producing and consuming countries and governmental regulation. Global demand and supply for agricultural commodities may be adversely affected in the event of sustained economic downturn, while supply may increase due to weather patterns or long-term technological developments, all of which are beyond our control. Our packaging costs are also impacted by the price of crude oil, resins and other material. Owing to limited suppliers for certain packaging material, we may be constrained to purchase these materials at the price set by the suppliers, without the ability to negotiate competitive prices.

Distribution network and market penetration

We sell our products to retail customers through modern trade channels, which include super-markets and hyper-markets and through general trade channels, which include smaller stores and e-commerce channels. We have a structured pan-India distribution network to cater to our retail and institutional customers. We constantly seek to grow our product reach to under-penetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our distribution network. We may, however, not be successful in appointing new distributors to expand our network or effectively manage our existing distribution network. Further, we may also face disruptions in the delivery of our products for reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. If our distributors fail to distribute our products in a timely manner, or fail to adhere to the terms of the distribution agreements, or if our distribution agreements are terminated, our business and results of operations may be adversely affected.

Volume and Mix of Products

The key driver in the growth of our revenue from operations has been the volume of products we produce and sell. Increased production and sales volume favourably affect our results of operations as it enables us to benefit from economies of scale in procurement of raw materials and may improve our operating margins through our ability to leverage our fixed cost base. To increase our production volumes, we may enter into agreements with additional third-party manufacturers in order to retain our asset-light business model and increase the utilization rate of our existing manufacturing facilities. We also seek to increase our sales volume by expanding our distribution network and increasing marketing activities. Our results of operations are affected by the product mix, and are favourably impacted by the sale of premium products. To this end, we endeavour to increase the products in our portfolio which have high margins in the future. For instance, we are focusing on our Horizon 3 platforms, which include herbal supplements, which we expect to act as large future plays.

Ability to Successfully Introduce New Products and Cater to Evolving Consumer Preferences

The success of our business depends upon our ability to anticipate and identify changes in consumer preferences and offer products that appeal to consumers. We continue to focus on delivering innovative products to premiumize our portfolio. We constantly seek to develop our research and development capabilities to distinguish ourselves from our competitors to enable us to introduce new products and different variants of our existing products, based on consumer preferences and demand. For example, in India, we launched ‘Tata Tea Gold Care’ - a handcrafted blend, ‘Tata Tea Gold Saffron’ – a premium tea product, ‘Tata Coffee Gold’ – 100% pure coffee, Tata Salt Rock Salt, Tata Sampann dry fruits, Himalayan honey and preserves. In international markets, we will continue to focus on the growing coffee and non-black tea categories. We are focused on continually innovating within our existing product categories and foraying into new product spaces where we believe there is significant growth potential. In Fiscal 2024, we accelerated our innovation goals with 47 new launches, compared to 34 in Fiscal 2023 and our innovation-to-sales ratio also improved from 3.4% in Fiscal 2023 to 5.1% in Fiscal 2024.

Fluctuations in Currency

As a result of our international operations, we are subject to fluctuations in currency. We have risk management policies in place to cover any possible losses due to fluctuations in currency. For example, we use derivatives such as foreign exchange forward contracts and options to hedge our foreign currency risks. However, we remain subject to currency risks due to factors beyond our control, such as changes in government policies, geo-political factors, changes in fiscal policies of other countries and any socio-economic event across the globe, which may lead to sudden fluctuations in currency. Certain of our subsidiaries record their earnings in foreign currencies, which are converted to Indian rupees for the purpose of presentation of our consolidated financial statements. We are therefore subject to exchange rate volatility and translation risk arising from foreign currency transactions being translated into Indian rupees for the purpose of our consolidated financial statements. Fluctuations in currency may impact our cost of funds and consequently, our profit margins.

Organic and inorganic expansion

In addition to growing through our organic efforts, we rely on strategic acquisitions and similar investments to provide us access to businesses, products and markets from time to time. Our business strategy involves constant evaluation and identification of business portfolios with strong growth opportunities that we can invest in. For example, on January 12, 2024, we entered into a share purchase agreement and acquired 75% equity interest of Capital Foods effective from February 1, 2024, while the remaining 25% will be acquired within the next three years. Capital Foods owns the brands 'Ching's Secret', which offers desi-Chinese cuisine with a pan-India appeal and a product portfolio that includes chutneys, blended masalas, sauces and soups; and 'Smith & Jones', which is a fast-growing brand catering to in-home cooking of Italian and other western cuisines. We also entered into a share purchase agreement on January 12, 2024 to acquire 99.99% equity interest of Organic India, which acquisition is effective from April 16, 2024. Organic India has organic brands in the food and beverages and herbal and traditional supplements categories. We believe these acquisitions have growth potential, and will drive margins, revenue and cost synergies. Our result of operations for the quarter ended June 30, 2024 will reflect the results of Capital Foods and Organic India for the full quarter for the first time since their respective acquisitions. Accordingly, our results of operations for the quarter ended June 30, 2024 may not be comparable with our results of operations for previous quarters. We may continue to make investments in such businesses or enter into strategic partnerships in the future. We may also enter into new lines of business on our own and expand our operations organically, based on our strategic goals.

The success of acquisitions, joint ventures, capacity expansions and entry into new business segments depends on a number of factors including our ability to realize anticipated growth opportunities and synergies from combining businesses. Such growth initiatives may divert management attention and require us to incur expenses in the form of finance costs, capital expenditure, integration costs, in addition to taking on liabilities of any acquired company.

Competition and Pricing Pressure

We face competition from a number of domestic and international players in each of the businesses we operate, and in particular, in the international markets. Our competitors in certain regions may have better brand recall, advertising budgets, access to commodities and may procure them at lower costs than us. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. They may also significantly increase their advertising expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses. The success of our business is dependent on our ability to competitively price our products, and to also compete against lower-priced products from our competitors based on the higher quality of our products. Our pricing policy is based on several factors including the cost of operations and raw material, customer demands, our competitive position and the pricing of certain products in the markets.

Basis of Preparation

The Audited Consolidated Financial Statements have been prepared in accordance with and in compliance, in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read along with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013. The presentation of the Audited Consolidated Financial Statements is based on Ind AS, Schedule III of the Companies Act, 2013.

Basis of Consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries

Subsidiaries are all entities over which the Company and its subsidiaries (together, the "**Group** ") has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Group's share and share of non-controlling stake holders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Investment in Associates and Joint Ventures

Associates include all entities where the Group has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group's investment in associates and joint ventures are accounted using the equity method. Goodwill relating to associate or a joint Venture is included in the carrying value of the investments and is not tested for impairment separately. Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates and joint ventures are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its associate and joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or a joint venture is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates and Joint Ventures' in the consolidated statement of profit and loss.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Business Combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of the: (i) fair values of the assets transferred, (ii) liabilities incurred to the former owners of the acquired business, (iii) equity interests issued by the Group, and (iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Purchase commitments for non-controlling interests' shares -The Group has put/call options to acquire non-controlling interest of certain fully consolidated subsidiaries. At initial recognition, the financial liability is measured at the present value of the estimated purchase consideration with a charge to the Equity. In the balance sheet, the value of the commitment is disclosed as "Purchase commitments for non-controlling interests' shares".

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Property, Plant and Equipment

<u>*Recognition and measurement*</u>: Property, plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly

attributable to the acquisition of the item. Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replacements are derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

Depreciation: Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis or based on a technical evaluation of the asset. Land is not depreciated.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

Estimated useful lives of items of property, plant and equipment are as follows:

Category	Useful life
Leasehold buildings / improvements	Lower of lease term or useful life
Buildings	28 to 60 years
Plant and Machinery	3 to 25 years
Furniture and Fixtures	5 to 16 years
Office Equipment	2 to 16 years
Motor vehicles	4 to 10 years

Biological Assets

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer plants. The Group recognises tea bushes, coffee bushes, pepper vines and shade trees as bearer assets, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage.

Bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful life which has been ascribed to be within the range of 30 – 65 years.

Tea, coffee, pepper and minor crops are designated as agricultural produce at the point of harvest and are measured at their fair value less cost to sell. Any changes in fair value up to the point of harvest are recognised in the statement of profit and loss in the year in which they arise.

Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives. Depreciable investment properties have been ascribed a useful life in the range of 60 years.

Cost incurred on assets under development are disclosed under Investment Property under development and not depreciated till asset is ready to use.

Intangible Assets

Goodwill

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as “Asset held for sale” and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

Brands and Trademarks

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses, if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset’s useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Brands/trademark with indefinite useful lives are also tested for impairment annually either individually or, if the intangible asset does not generate cash flows that are largely independent of those from other assets or groups of assets, as part of the cash generating unit to which it belongs. Such intangibles are not amortised. The useful life of a brand with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Brands and trademarks having finite lives have been ascribed a useful life within a range of 3 years – 35 years.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the customer relationship. Customer intangibles have been ascribed a useful life within a range of 7 years – 30 years.

Distribution network

Distribution network acquired in a business combination are recognised at fair value at the acquisition date. The distribution networks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of the distribution network. Distribution networks have been ascribed a useful life within a range of 8 years – 10 years.

Patent / know-how

Product development cost incurred on new products having enduring benefits is recognised as an Intangible Asset and are amortised over a period of 10 years.

Computer software / Website

Software development costs are expensed unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to develop and sell or use the software and the costs can be measured reliably. Directly attributable costs that are capitalised as part of the software product include the software development cost, related employee costs and an appropriate portion of relevant overheads. Other expenditure that do not meet these criteria are recognised as an expense as and when incurred, costs previously recognised as an expense are not recognised as an asset in a subsequent period. The cost incurred for acquisition of website is capitalised. In case of internally generated website, the cost is capitalised only if the future economic benefits are expected to flow to the entity and if the asset can be controlled by entity as a result of past events.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 8 years. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and put to use the specific software. These costs are amortised over their estimated useful lives of 3 to 8 years. Website costs are amortised over a period of 5 years.

Research and Development

Research expenditure is recognised in the statement of profit and loss, as and when incurred. Development expenditure is capitalised only if the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Group has the intent and the resources to complete the project.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

Impairment of tangible and intangible assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal of impairment losses at each reporting date. Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.

Financial Instruments

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

Financial assets

Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Debt Instruments:

Subsequent measurement of debts instruments depends on the Group's business model for managing the assets and the cash flows of the assets. The Group classifies its financial assets in the following categories:

Financial assets at amortised cost- Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans.

Financial assets at fair value through other comprehensive income (FVTOCI) – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represents solely payments of principal and interest, are on specified dates are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL) - Financial assets which are not classified in any of the categories above are FVTPL.

Equity Instruments

All equity investments are measured at fair values. The Group may irrevocably elect to measure the same either at FVOCI or FVTPL on initial recognition. The Group makes such election on an instrument-by-instrument basis. The fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments. Dividend income on the investments in equity instruments are recognised in the Statement of Profit and Loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Group assesses expected credit losses associated with its assets carried at amortised cost and FVOCI debt instrument based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedging activities

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or
(b) hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are reported within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

<u>Fair value hedge</u>

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to statement of profit and loss when the forecasted cash flows affect profit or loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

Fair value measurement

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1 - The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

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).

Offsetting Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Interest and dividend income

Interest income is recognised within finance income using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

Inventories

Raw materials, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, Net realisable value represents the estimated selling price less all estimated cost of completion and selling expenses. Stores and spares are carried at cost. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

Cost is determined on weighted average method for all categories of inventories other than for auction/privately bought teas wherein cost is measured at actual cost of each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition, where applicable, include appropriate overheads based on normal level of activity.

In accordance with Ind AS 41- Agriculture, inventories comprising agricultural produce that the Group has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest.

Employee Benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas long term employee benefits are recognised on a discounted basis.

Post retirement employee benefits:

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF), Superannuation Schemes and other such schemes are accounted for on accrual basis by the Group. With regard to PF contribution made by the Group to a Self-Administered Trust, the Group is generally liable for annual contributions and for any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfalls are recognised as an expense in the year incurred.

Post retirement defined benefits including gratuity, pension and medical benefits for qualifying executives/whole time directors as provided by the Group are determined through independent actuarial valuation at year end and charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income, and subsequently not reclassified to the Statement of Profit and Loss.

The Group recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

Other employee benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

Employee termination benefits:

Payments to employees on termination along with additional liabilities towards retirement benefits arising pursuant to the termination are charged to the statement of profit and loss in the year in which it is incurred.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of "Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

Share based payments

The Parent Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 - Share-based Payment. For share entitlement granted by the Parent Company to its employees the estimated fair value as determined on the date of grant, is charged to the statement of profit and loss on a straight line basis over the vesting period and assessment of performance conditions, if any, with a corresponding increase in equity.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

Income Tax

Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

Deferred Tax:

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

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liabilities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal, the temporary difference is not recognised. Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign Currency and translations

Functional and presentation currency

Items included in the consolidated financial statements of the Group's and its associates and joint ventures are measured using the currency of the primary economic environment in which each entity operates ("functional currency"). The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Company.

Group entities

The results and financial position of all the Group entities that have a functional currency different from the presentation currency of the Group are translated as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit and loss are translated at monthly exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to the statement of profit and loss, as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/

arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset or when services are rendered.

Revenue is measured based on transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of the goods and services to a customer is based on the price specified in the contract and is net of variable consideration on account of estimated sales incentives / discounts offered by the Group. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned.

The Group recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Group expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

Government Grant

Government grants including any non-monetary grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

Leases

As a lessee

At inception of a contract, the group assesses whether a contract is or contains a lease. A contract is, or contains a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract conveys the right to use an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the identified asset.

At the date of commencement of a lease, the Group recognises a right-of-use asset ("**ROU assets**") and a corresponding lease liability for all leases, except for leases with a term of twelve months or less (short-term leases) and low value leases. For short-term and low value leases, the Group recognise the lease payments as an operating expense on a straight-line basis over the term of the lease. Group has considered all leases where the value of an underlying asset does not individually exceed ₹ 0.05 crores or equivalent as a lease of low value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. These are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated on a straight-line basis over the asset's useful life (refer 2.2(b)) or the lease term whichever is shorter.

Impairment of ROU assets is in accordance with the Group's accounting policy for impairment of tangible and intangible assets.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in the statement of profit and loss on a straight-line basis over the lease term.

Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to their nature or incidence.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and considering the effect of all dilutive potential ordinary shares.

Segment Reporting

Segments are identified based on the manner in which the Group's Chief Operating Decision Maker ("**CODM**") decides about resource allocation and reviews performance.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. All other items which are not attributable or allocable to segments have been disclosed as unallocable items.

Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets including goodwill.

Cash and Cash equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed, if material.

Key accounting judgement, estimates and assumptions

The preparation of the consolidated financial statements requires Group management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

Goodwill and Intangibles

The Group records all intangible assets acquired including goodwill as part of a business combination at fair values. In relation to business combinations, judgement is required to be exercised on determining the fair values, identification and measurement of assets acquired and liabilities assumed, in allocation of purchase consideration, in deciding the amortisation policy and on tax treatment of Goodwill and intangible assets acquired. Judgement is also required to be exercised as regards the manner in which carrying amount of goodwill is likely to be recovered, for deferred tax accounting purposes. Appropriate independent professional advice is also obtained, as necessary. Goodwill has a useful life which is same as that of underlying cash generating unit. Intangible assets are assigned either an indefinite or a finite useful life, depending on the nature and expected consumption. Goodwill and indefinite lived intangible assets are as a minimum, subjected to annual tests of impairment in line with the accounting policy whereas all other intangibles assets are amortised.

Depreciation and amortisation

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

Taxation

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in examining applicability and determining the provision required for taxes.

Employee Benefits

The present value of the define benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds/Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions.

Carrying value of derivatives and other financial instruments

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgement is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable.

Revenue recognition and marketing accrual

Generally in the International markets, products are often sold with sales related discounts, rebate, trade support etc. Sales are recorded based on the price specified in the sales contract, however simultaneously amount of sales promotions expenditure that would need to be incurred are also estimated and netted off from sales. Judgement is required to be exercised in determining the level of provisions that would need to be accrued. Accumulated experience is used for estimating and providing for such expenditure.

CHANGES IN ACCOUNTING POLICIES

There has been no change in our accounting policies during the Fiscals 2024 and 2023.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises our revenue from operations and other income.

Revenue from Operations

Our revenue from operations comprises revenue from contracts with customers and other operating revenues. Revenue from contracts with customers include: (i) revenue from sale of goods; and (ii) revenue from sale of services, which primarily pertains to income from curing operations in Tata Coffee for external customers. Other operating revenues include: (i) royalty income; (ii) government incentive; and (iii) miscellaneous receipts, which include scrap sales and receipt from other welfare activities.

Other Income

Our other income primarily comprises (i) interest income, including interest income on advances and deposits carried at amortised cost, and interest on tax refund; (ii) dividend income on non-current investments designated at fair value through

OCI; and (iii) others, including fair value movement in financial instruments at fair value through profit or loss, gain on current investments (net), and other non-operating income.

Expenses

Our expenses primarily comprise: (i) cost of materials consumed; (ii) purchase of stock-in-trade; (iii) employee benefits expense; (iv) finance costs; (v) depreciation and amortisation expenses; and (vi) other expenses.

Cost of materials consumed

Cost of materials consumed comprises the cost of raw materials used in the manufacture of our products and the cost of packing materials.

Purchases of stock-in-trade

Purchases of stock-in-trade primarily includes cost of goods purchased for trading.

Employee Benefits Expenses

Our employee benefits expenses comprise (i) salaries, wages and bonus; (ii) contribution to provident fund and other funds; and (iii) workmen and staff welfare expenses.

Finance costs

Other finance costs include (i) interest expense on financial liabilities valued at amortised cost; (ii) interest expense on lease liabilities; and (iii) interest on defined benefit plans (net).

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprise (i) depreciation on property, plant and equipment; (ii) depreciation on investment property; (iii) depreciation on right-of-use assets; and (iv) amortisation of intangible assets.

Other Expenses

Our other expenses include (i) manufacturing and contract packing expenses; (ii) consumption of stores and spare parts; (iii) power and fuel; (iv) repairs and maintenance; (v) rent; (vi) freight; (vii) advertisement and sales charges; (viii) legal and professional expenses; and (ix) miscellaneous expenses.

SEGMENTAL REPORTING

We have organised our businesses into the Branded Segment and Non Branded Segment. Branded Segment is further subcategorised as India Business and International Business.

Branded Business –

(i) *India Business*: Sale of branded tea, coffee and water and sale of food products in various value added forms.
(ii) *International Business*: Sale of branded tea, coffee and water and sale of food products in various value added forms.

Non-Branded Business - Plantation and Extraction business for tea, coffee and other produce.

The following table sets forth our segment revenue for the years indicated:

	Fiscal 2024	**Fiscal 2023**
	(₹ in crore)	
Branded Business		
- India Business	9,736.47	8,716.98
- International Business	3,925.43	3,589.47
Total Branded	**13,661.90**	**12,306.45**
Non Branded Business	**1,577.39**	**1,500.07**
Total Segment Revenue	**15,239.29**	**13,806.52**
Others	57.54	48.68
Less: Inter-Segment Revenue	(90.98)	(72.04)
Revenue from External Customers	**15,205.85**	**13,783.16**

The following table sets forth our segment results for the years indicated:

	Fiscal 2024	Fiscal 2023
	(₹ in crore)	
Branded Business		
- India Business	1,347.87	1,192.85
- International Business	484.54	379.81
Total Branded	**1,832.41**	**1,572.66**
Non Branded Business	**248.22**	**122.42**
Total Segment Results	**2,080.63**	**1,695.08**
Add/ Less:		
Other Income	206.29	151.42
Finance Cost	(129.81)	(87.16)
Unallocable items	(134.35)	(125.23)
Exceptional Items	(327.04)	159.45
Profit before Tax	**1,695.72**	**1,793.56**

NON-GAAP MEASURES

EBITDA, EBITDA Margin, Net Worth, Return on Net Worth, Net Asset Value per Equity Share, Cost of Goods Sold, Cost of Goods Sold as a percentage of revenue from operations and Operating Cashflow to EBITDA (together, "**Non-GAAP Measures**"), presented in this Letter of Offer are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS, US GAAP or any other GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS, US GAAP or any other GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS, US GAAP or any other GAAP. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating or financial performance.

Reconciliation of non-GAAP measures

Net Worth and Return on Net Worth

Particulars	Fiscal 2024	Fiscal 2023
	(₹ in crore)	
Profit attributable to owners of the Company (A)	1,150.33	1,203.77
Equity Share capital (B)	95.28	92.90
Other equity (C)	15,961.51	16,183.81
Capital reserve, amalgamation reserve, revaluation reserve and other comprehensive income (D)	(852.21)	(620.29)
Net Worth (E)= (B+C+D)	15,204.58	15,656.42
Return on Net Worth (A/ E)* 100 (%)	7.57	7.69

Net asset value per Equity Share

Particulars	Fiscal 2024	Fiscal 2023
	(₹ in crore)	
Equity Share capital (A)	95.28	92.90
Other equity (B)	15,961.51	16,183.81
Net asset (C) = (A + B)	16,056.79	16,276.71
Number of Equity Shares issued, subscribed and fully paid outstanding (D)	95,28,34,816	92,90,11,650
Net Asset Value per Equity Share (₹) (E) = [C/ (D/10^7)]	168.52	175.20

EBITDA

Particulars	Fiscal 2024	Fiscal 2023
	(₹ in crore)	
Profit for the year (A)	1,215.40	1,320.14
Total tax expense (B)	394.73	447.04
Other finance cost (C)	129.81	87.16
Depreciation and amortisation expense (D)	377.15	304.08
Exceptional items (E)	327.04	(159.45)
Share in (profit)/loss of equity accounted investees (F)	85.59	26.38

Particulars	Fiscal 2024	Fiscal 2023
	(₹ in crore)	
Other income (interest income, dividend income, fair value movement in financial instruments at fair value through profit or loss, gains on current investments (net)) (G)	(206.29)	(151.43)
EBITDA (H) = (A+B+C+D+E+F+G)	2,323.43	1,873.92

EBITDA Margin

Particulars	Fiscal 2024	Fiscal 2023
	(₹ in crore)	
EBITDA (A)	2,323.43	1,873.92
Revenue from operations (B)	15,205.85	13,783.16
EBITDA margin (%) (C) = (A/B)	**15.28%**	**13.60%**

Operating cash flow before tax to EBITDA

Particulars	Fiscal 2024	Fiscal 2023
	(₹ in crore)	
Net Cash from/(used in) operating activities (A)	1,936.68	1,461.29
Direct taxes paid (net) (B)	397.82	388.65
Operating cashflow before tax (C) = (A+B)	2,334.50	1,849.94
EBITDA (D)	2,323.43	1,873.92
Operating cashflow before tax to EBITDA (E) = (C/ D)	**100.48%**	**98.72%**

Cost of Goods Sold

Particulars	As of/ For the Year Ended March 31,	
	2024	2023
	(₹ in crore)	
Cost of Materials Consumed (A)	5,730.20	5,376.56
Purchase of Stock in Trade (B)	2,955.31	2,903.03
Change in Inventories of Finished Goods/ Work-in-progress / Stock in Trade (excluding direct overheads and wages) (C)	(121.60)	(273.88)
Cost of Goods Sold (D) = (A+B+C)	**8,563.91**	**8,005.71**
Revenue from operations (E)	15,205.85	13,783.16
Cost of Goods Sold, as a percentage of revenue from operations (F) = (D/ E)*100	56.32%	58.08%

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the years/ periods indicated:

Particulars	Fiscal			
	2024		2023	
	Amount (₹ in crore)	Percentage of Total Income (%)	Amount (₹ in crore)	Percentage of Total Income (%)
Income				
Revenue from Operations	15,205.85	98.41%	13,783.16	98.79%
Other Income	245.62	1.59%	168.88	1.21%
Total Income	**15,451.47**	**100.00%**	**13,952.04**	**100.00%**
Expenses				
Cost of Materials Consumed	5,730.20	37.08%	5,376.56	38.54%
Purchase of Stock in Trade	2,955.31	19.13%	2,903.03	20.81%
Changes in inventories of Finished Goods/ Work-in-progress/ Stock-in-trade	(121.60)	(0.79%)	(273.88)	(1.96%)
Employee Benefits Expense	1,258.59	8.15%	1,120.36	8.03%
Finance Costs	129.81	0.84%	87.16	0.62%
Depreciation and Amortisation Expense	377.15	2.44%	304.08	2.18%
Other expenses	3,099.25	20.06%	2,800.62	20.07%
Total expenses	**13,428.71**	**86.91%**	**12,317.93**	**88.29%**

Particulars	Fiscal			
	2024		2023	
	Amount (₹ in crore)	Percentage of Total Income (%)	Amount (₹ in crore)	Percentage of Total Income (%)
Profit before Exceptional Items and Tax	**2,022.76**	**13.09%**	**1,634.11**	**11.71%**
Exceptional Items (net)	(327.04)	(2.12%)	159.45	1.14%
Profit before Tax	**1,695.72**	**10.97%**	**1,793.56**	**12.86%**
Tax expenses				
Current tax	469.30	3.04%	376.76	2.70%
Deferred tax	(74.57)	(0.48%)	70.28	0.50%
	394.73	**2.55%**	**447.04**	**3.20%**
Profit after Taxation before share of results of investments accounted using equity method	**1,300.99**	**8.42%**	**1,346.52**	**9.65%**
Share of net profit/(loss) in Associates and Joint Ventures using equity method	(85.59)	(0.55%)	(26.38)	(0.19%)
Profit for the Year	**1,215.40**	**7.87%**	**1,320.14**	**9.46%**

FISCAL 2024 COMPARED TO FISCAL 2023

Key Developments

Our results of operations for Fiscal 2024 include the results of operations of Capital Foods for two months, subsequent to our acquisition of 75% equity interest of Capital Foods effective from February 1, 2024.

Total income

Our total income increased by 10.75% from ₹ 13,952.04 crore in Fiscal 2023 to ₹ 15,451.47 crore in Fiscal 2024, as set forth below.

Revenue from operations

Our revenue from operations increased by 10.32% from ₹ 13,783.16 crore in Fiscal 2023 to ₹ 15,205.85 crore in Fiscal 2024, primarily due to increase in revenue from contract with customers by 10.53%, from ₹ 13,659.81 crore in Fiscal 2023 to ₹ 15,098.51 crore in Fiscal 2024. The increase in our revenue from contracts with customers was primarily attributable to the increase in revenues from sale of goods by 10.54%, from ₹ 13,653.46 crore in Fiscal 2023 to ₹ 15,092.77 crore in Fiscal 2024.

This was primarily on account of increase in revenue from our branded business by 11.01%, from ₹ 12,306.45 crore in Fiscal 2023 to ₹ 13,661.90 crore in Fiscal 2024, as we continued to increase our distribution network in India and our international business witnessed growth in Fiscal 2024. Revenue from our India branded business increased by 11.70% from Fiscal 2023 to Fiscal 2024, with revenue from core businesses and growth businesses delivering growth. We continued to scale our beverages, Tata Sampann, Tata Soulfull and Tata SmartFoodz businesses in India, and revenue from these businesses increased from Fiscal 2023 to Fiscal 2024. Revenue from our tea business increased from Fiscal 2023 to Fiscal 2024, and this growth was led by our premium (primarily Tata Tea Gold, Chakra Gold, and Tetley) and sub-premium (primarily Tata Tea Premium, Kanan Devan and Spice Mix) segments.

At the same time, revenue from our non-branded business increased by 5.15%, from ₹ 1,500.07 crore in Fiscal 2023 to ₹ 1,577.39 crore in Fiscal 2024, led by expansion of our customer base, premiumisation of our portfolio, and favourable movement in commodity costs.

Our other operating revenues decreased by 12.98% from ₹ 123.35 crore in Fiscal 2023 to ₹ 107.34 crore in Fiscal 2024. In Fiscal 2023, other operating revenues included a higher proportion of scrap sales, which is reflected in the decrease in miscellaneous receipts from ₹ 57.02 crore in Fiscal 2023 to ₹ 44.22 crore in Fiscal 2024.

Other income

Our other income increased from ₹ 168.88 crore in Fiscal 2023 to ₹ 245.62 crore in Fiscal 2024, primarily due to increase in interest income on advances and deposits, as well as gains on current investments (net).

Expenses

Total expenses increased by 9.02% from ₹ 12,317.93 crore in Fiscal 2023 to ₹ 13,428.71 crore in Fiscal 2024, primarily for the reasons set forth below.

Cost of materials consumed

Our cost of materials consumed increased by 6.58% from ₹ 5,376.56 crore in Fiscal 2023 to ₹ 5,730.20 crore in Fiscal 2024, primarily owing to increase in purchases of raw materials and packing materials in order to cater to increased business requirements.

Purchases of stock in trade

Purchases of stock in trade increased by 1.80% from ₹ 2,903.03 crore in Fiscal 2023 to ₹ 2,955.31 crore in Fiscal 2024 due to increase in purchase of traded goods.

Employee benefits expense

Our employee benefits expense increased by 12.34% from ₹ 1,120.36 crore in Fiscal 2023 to ₹ 1,258.59 crore in Fiscal 2024, primarily due to an increase in salaries, wages and bonus from ₹ 1,012.92 crore in Fiscal 2023 to ₹ 1,135.04 crore in Fiscal 2024, which includes ₹ 9.53 crore in Fiscal 2024, and ₹ 4.04 crore in Fiscal 2023 towards share based payment incentives.

Finance costs

Our finance costs increased by 48.93%, from ₹ 87.16 crore in Fiscal 2023 to ₹ 129.81 crore in Fiscal 2024, primarily as a result of increase in interest expense on financial liabilities valued at amortised cost from ₹ 55.38 crore in Fiscal 2023 to ₹ 91.46 crore in Fiscal 2024.

Depreciation and amortisation expenses

Our depreciation and amortisation expense increased by 24.03% from ₹ 304.08 crore in Fiscal 2023 to ₹ 377.15 crore in Fiscal 2024, primarily due to increase in depreciation on property, plant and equipment, as well as amortisation of intangible assets.

Other expenses

Other expenses increased by 10.66% from ₹ 2,800.62 crore in Fiscal 2023 to ₹ 3,099.25 crore in Fiscal 2024, primarily as a result of increase in:

- manufacturing and contract packing expenses from ₹ 212.87 crore in Fiscal 2023 to ₹ 235.45 crore in Fiscal 2024;
- power and fuel from ₹ 149.43 crore in Fiscal 2023 to ₹ 156.90 crore in Fiscal 2024;
- repair and maintenance from ₹ 120.19 crore in Fiscal 2023 to ₹ 139.38 crore in Fiscal 2024;
- freight from ₹ 633.64 crore in Fiscal 2023 to ₹ 687.42 crore in Fiscal 2024, due to higher volume of business and partially attributable to the Red Sea crisis impacting freight expenses;
- advertisement and sales charges from ₹ 866.18 crore in Fiscal 2023 to ₹ 977.69 crore in Fiscal 2024, as we focused on our hyper-local strategy for Tata Premium and launched new advertisement campaigns to highlight the taste and quality of our products. We continued with festival specific campaigns such as Tata Tea Leaf limited edition pack celebrating Chhath Puja in Bihar and Jharkhand, Tata Tea Gold celebrating various handlooms and textile creations of West Bengal during Durga Puja, Teej campaign in Rajasthan by Tata Tea Lal Ghoda, among others;
- miscellaneous expenses from ₹ 460.26 crore in Fiscal 2023 to ₹ 568.62 crore in Fiscal 2024.

Profit before exceptional items and tax

For the reasons discussed above, our profit before exceptional items and tax was ₹ 2,022.76 crore in Fiscal 2024 compared to profit before exceptional items and tax of ₹ 1,634.11 crore in Fiscal 2023.

Exceptional items (net)

We had expenditure on exceptional items amounting to ₹ (327.04) crore in Fiscal 2024, primarily attributable to: (i) reorganisation and business restructure costs, (ii) expenses in connection with the scheme of arrangement among our Company, Tata Coffee Limited and TCPL Beverages and Foods Limited, (iii) past service cost relating to defined benefit obligations, (iv) asset write-down, (v) fair value loss on financial instrument, and (vi) expenses in connection with acquisition of subsidiary. In comparison, our exceptional items stood at ₹ 159.45 crore in Fiscal 2023, with income of ₹ 242.74 crore, primarily involving: (i) profit on sale of investment property, (ii) gain on conversion of joint ventures into subsidiaries, and expenditure of ₹ 83.29 crore, primarily on account of reorganisation and business restructure costs.

Tax expenses

Our tax expense decreased from ₹ 447.04 crore in Fiscal 2023 to ₹ 394.73 crore in Fiscal 2024. Current tax expense increased from ₹ 376.76 crore in Fiscal 2023 to ₹ 469.30 crore in Fiscal 2024. We had deferred tax credit of ₹ (74.57) crore in Fiscal 2024, compared to deferred tax charge of ₹ 70.28 crore in Fiscal 2023.

Profit after taxation before share of results of investments accounted using equity method

Our profit after taxation before share of results of investments accounted using equity method was ₹ 1,300.99 crore in Fiscal 2024, compared to ₹ 1,346.52 crore in Fiscal 2023.

Share of net profit/(loss) in associates and joint ventures using equity method

Our share of net loss in associates and joint ventures using equity method was ₹ (85.59) crore in Fiscal 2024, compared to ₹ (26.38) crore in Fiscal 2023, on account of subdued performance by our associate company in the plantation business.

Profit for the year

For the reasons above, our profit for the year decreased marginally from ₹ 1,320.14 crore in Fiscal 2023 to ₹ 1,215.40 crore in Fiscal 2024.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations through a combination of internal accruals and external borrowings.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods/ years indicated:

Particulars	For the year ended March 31,	
	2024	2023
	(₹ in crore)	
Net cash from/ (used in) operating activities	1,936.68	1,461.29
Net cash from/ (used in) investing activities	(1,930.92)	(827.82)
Net cash from/ (used in) financing activities	255.55	(714.40)
Net increase/ (decrease) in cash and cash equivalents	261.31	(80.93)

Operating Activities

Fiscal 2024

Net cash from operating activities was ₹ 1,936.68 crore in Fiscal 2024. While our net profit before tax was ₹ 1,695.72 crore, we had an operating profit before working capital changes of ₹ 2,323.14 crore. This increase was primarily due to depreciation and amortisation of ₹ 377.15 crore, finance cost of ₹ 129.81 crore, asset write down of ₹ 61.62 crore and other exceptional expenses (net) of ₹ 21.99 crore. These were adjusted primarily for trade receivables and other assets of ₹ 45.08 crore and trade payables and other liabilities of ₹ 59.77 crore.

Fiscal 2023

Net cash from operating activities was ₹ 1,461.29 crore in Fiscal 2023. While our net profit before tax was ₹ 1,793.56 crore, we had an operating profit before working capital changes of ₹ 1,875.37 crore. This increase was primarily due to depreciation and amortisation of ₹ 304.08 crore, finance cost of ₹ 87.16 crore, and other exceptional expense (net) of ₹ 81.24 crore. These were adjusted primarily for trade payables and other liabilities of ₹ 378.61 crore and inventories of ₹ 367.98 crore.

Investing Activities

Fiscal 2024

Net cash used in investing activities was ₹ 1,930.92 crore in Fiscal 2024, primarily on account of acquisition of subsidiaries (net of TDS payable) of ₹ 3,859.44 crore, fixed deposits placed of ₹ 1,114.22 crore, inter corporate deposits and loans placed (including FX) of ₹ 833.24 crore and payment for property plant and equipment including intangible assets of ₹ 334.69 crore. This was partially offset by fixed deposits redeemed of ₹ 2,241.11 crore, inter corporate deposits and loans redeemed (including FX) of ₹ 1,064.90 crore, sale of current investments (net) of ₹ 613.43 crore, interest income received of ₹ 186.85 crore, and redemption of government securities of ₹ 96.14 crore.

Fiscal 2023

Net cash used in investing activities was ₹ 827.82 crore in Fiscal 2023, primarily on account of fixed deposits placed of ₹ 1,797.18 crore, inter corporate deposits and loans placed (including FX) of ₹ 1,083.70 crore, purchase of current investments (net) of ₹ 436.37 crore and payment for property plant and equipment including intangible assets of ₹ 311.75 crore. This was partially offset by fixed deposits redeemed of ₹ 1,641.72 crore, inter corporate deposits and loans redeemed (including FX) of ₹ 1,153.50 crore, sale of property plant and equipment including investment property of ₹ 171.85 crore, and interest income received of ₹ 108.67 crore.

Financing Activities

Fiscal 2024

Net cash from financing activities was ₹ 255.55 crore in Fiscal 2024, primarily on account of proceeds from short term borrowings (net) amounting to ₹ 1,327.42 crore, which was partially offset by dividend paid of ₹ 808.85 crore, finance cost paid of ₹ 118.29 crore, repayment of long term borrowings of ₹ 73.39 crore and payment of lease liabilities of ₹ 71.34 crore.

Fiscal 2023

Net cash used in financing activities was ₹ 714.40 crore in Fiscal 2023 on account of dividend paid of ₹ 573.42 crore, finance cost paid of ₹ 81.66 crore, repayment of long term borrowings of ₹ 56.32 crore and payment of lease liabilities of ₹ 55.55 crore.

Financial Indebtedness

As of March 31, 2024, our total borrowings amounted to ₹ 2,953.85 crore.

Off-Balance Sheet Commitments and Arrangements

Other than as disclosed in this Letter of Offer, as of March 31, 2024, we had no other off-balance sheet commitments and arrangements that materially affect our financial condition or results of operations.

Capital Expenditures / Additions to Property, Plant and Equipment

In Fiscals 2024 and 2023, we made payment of ₹ 334.69 crore and ₹ 311.75 crore, respectively, towards the addition of property, plant and equipment and other intangible assets.

Credit Ratings

Our Company's credit ratings as of the date of this Letter of Offer are set forth below:

Nature of Instrument	Credit Rating Assigned
Working capital facilities (including non-fund limits)	[ICRA] AAA (Stable)/ A1+
Non-fund based facility (Sub-limit of working capital limits)	[ICRA] A1+
Short term instruments - commercial papers	[ICRA] A1+, CARE A1+

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "*Financial Statements*" on page 111.

Qualitative Disclosure about Market Risk

Our risk is managed through risk management frameworks, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. Our activities expose us to, *inter alia*, market risk, liquidity risk and credit risk. A brief description of our risks is set forth below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations leading to a financial loss. Our credit risk is spread both geographically as well as across customers. Majority of our customers in developed markets have good credit rating. In addition, we have an established credit policy and a credit review mechanism. We also cover certain categories of our debtors through a credit insurance policy. The insurance provider sets an individual credit limit and also monitors the credit risk of the consumer. We establish an allowance for impairment that represents our estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when we are certain about the non-recovery.

Liquidity risk

Liquidity risk is the risk that we may encounter difficulty in meeting our obligations. Our approach is to ensure that we have sufficient liquidity or borrowing headroom to meet our obligations at all point in time.

Market risk

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as currency risk, interest rates risk and commodity price risk.

Currency Risk

We operate across various geographies and are exposed to foreign exchange risk on various currency exposures. The risk of changes in foreign exchange rates relates primarily to our operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities and consolidation of foreign subsidiaries. We use various derivative financial instruments governed by our board approved policy, such as foreign exchange forward and option contracts to mitigate the said risk. The counterparty for these contracts is generally a bank. We report periodically to the Audit Committee of the Board, the various foreign exchange risk and policies implemented to manage our foreign exchange exposures.

During the year ended March 31, 2024, we have designated certain foreign exchange forward contracts and option contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions. Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exists between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

Interest rate risk

Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates. We use interest rate swap contracts to manage interest rate exposure on our long term debt obligations. We have entered into an interest rate swap whereby we pay a fixed rate of interest and receives a floating rate of interest on approximately half of the balance of term debt. These derivatives have been designated as cash flow hedges. In addition, the interest rate risk, can also impact the provision for retiral benefits.

Price Risk

Commodity price risk

We are exposed to fluctuations in price of certain commodities mainly tea, salt, pulses and coffee. Mismatch in demand and supply, adverse weather conditions, market expectations etc, can lead to price fluctuations. For tea, these fluctuations are managed through active sourcing, distribution of source of supply, private purchases and alternate blending strategies without impacting the quality of the blend. For salt and pulses, these fluctuations are managed through active sourcing and commercial negotiation with customers and suppliers. Further, we use coffee futures and option contracts for US coffee operations, to reduce the price risk associated with forecasted purchases of coffee beans. We enter into coffee futures based on market price and anticipated production requirements. These coffee futures have been designated as cash flow hedges and the unrealised gain / (loss) or fair value is recorded in other comprehensive income. We also enter into various call and put option contract to protect the price. The fair value of the unsettled contracts is recorded in other current assets or other current liabilities. The realised and unrealised gains and losses on these contracts are included in Statement of Profit and Loss as a part of Cost of Materials Consumed.

Equity price risk

Equity price risk is the risk arising from investments held by us and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. Our equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the current investments are all in units of overnight and liquid mutual funds and these are not exposed to significant price risk.

For further information on our risk management policies, see "*Audited Consolidated Financial Statements – Note 36. Financial Instruments – Financial Risk Management*" on page 172.

Auditor’s Observations

There have been no reservations/ qualifications/ adverse remarks/ emphasis of matters highlighted by the statutory auditors of our Company in Fiscals 2024 and 2023.

Unusual or infrequent Events or Transactions

Except as described in this Letter of Offer, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in "*—Significant Factors affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 834 and 16, respectively. Except as discussed in this Letter of Offer, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income.

Significant Economic Changes that Materially Affect or are Likely to Affect Income from Continuing Operation

Our business has been subject, and we expect it to continue to be subject to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*—Significant Factors affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 834 and 16, respectively.

New Products or Business Segments

Except as described in this Letter of Offer, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and the introduction of new products.

Future Relationship Between Cost and Income

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 16, 95 and 833, respectively, there are no known factors that will have a material adverse impact on our operations and financial condition.

Significant Dependence on a Single or Few Customers or Suppliers

Other than as disclosed in "*Risk Factors - Any significant increase in the cost of packaging we use for our products may lead to inflationary pressures and our inability to either increase the prices of our products may have an adverse effect on our business, results of operations, financial condition and cash flows*" and *"Risk Factors - Our operations are dependent on the supply of large amounts of raw materials, including agricultural commodities, such as tea, coffee, among others. Commodity prices are impacted by global trends, geopolitical events, speculative trading, government policies and supply chain issues which could impact our inability to grow or procure adequate amounts of good quality raw material required for our operations, at competitive prices, may have an adverse effect on our business, results of operations and financial condition*", on pages 23 and 16, respectively, we are not dependent on a limited number of suppliers. We are not dependent on a single or few customers.

Competitive Conditions

We operate in a competitive environment. See sections, "*Our Business*", "*Industry Overview*", "*Risk Factors— We engage in highly competitive businesses and any failure to effectively compete could have an adverse effect on us*" and "*— Significant Factors affecting our Results of Operations - Competition and pricing pressure*" on pages 95, 70, 28 and 836, respectively.

Seasonality/Cyclicality of Business

Our operations are subject to seasonality, to the extent disclosed in "*Risk Factors - Our operations are dependent on the supply of large amounts of raw materials, including agricultural commodities, such as tea, coffee, among others. Commodity prices are impacted by global trends, geopolitical events, speculative trading, government policies and supply chain issues which could impact our inability to grow or procure adequate amounts of good quality raw material required for our operations, at competitive prices, may have an adverse effect on our business, results of operations and financial condition*." on page 16.

Significant Developments After March 31, 2024 That May Affect our Future Results of Operations

Other than as disclosed below and in this Letter of Offer, no circumstances have arisen since March 31, 2024 that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

(i) In Fiscal 2025, on April 16, 2024, our Company acquired 99.99% stake in Organic India for a consideration of ₹ 1,708 crore. This acquisition resulted in Organic India becoming a subsidiary of our Company. For the purpose of the acquisition, we have raised additional borrowings through commercial papers subsequent to March 31, 2024. For further information, see *Objects of the Issue* and *Our Business* on pages 55 and 95, respectively;

(ii) In its meeting held on April 23, 2024, the Board of Directors has recommended a final dividend of ₹ 7.75 per equity share of ₹ 1 each (775%) for Fiscal 2024; and

(iii) With effect from July 1, 2024, our Company's erstwhile step-down subsidiaries (i) Eight O'Clock Holdings, Inc.; (ii) Eight O'Clock Coffee Company; (iii) Good Earth Corporation; (iv) Good Earth Teas, Inc.; and (v) Tata Waters LLC have merged into Tata Consumer Products US, Inc. (erstwhile Tetley US Inc.), a step-down subsidiary of our Company.

(iv) The Hon'ble National Company Law Tribunal, Kolkata Bench, by its order dated July 18, 2024, sanctioned the scheme of amalgamation of our wholly owned subsidiaries, NourishCo Beverages Limited, Tata SmartFoodz Limited and Tata Consumer Soulfull Private Limited with our Company. The scheme of amalgamation shall become effective on the effective date, being the date on which the certified copies of the order dated July 18, 2024 are filed with the respective registrar of companies and all conditions for bringing the scheme of amalgamation into effect are fulfilled.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time, primarily arising in the ordinary course of our business. Our Company has, solely for the purpose of this Issue, disclosed in this section, all outstanding matters which involve (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries, including all criminal proceedings filed by or against our Company and/or our Subsidiaries; (ii) material violations of statutory regulations by our Company and Subsidiaries; (iii) outstanding matters in relation to material civil or tax litigation; (iv) economic offences where proceedings have been initiated against our Company and Subsidiaries; and (v) any outstanding matter which has been considered material and reported to the Stock Exchanges in accordance with the LODR Materiality Policy (as defined hereafter).

*All outstanding civil and all outstanding direct and indirect tax proceedings (including show cause notices) involving our Company and/or our Subsidiaries, and all outstanding proceedings (including notices received) initiated by any regulatory and/or statutory authorities involving our Company and our Subsidiaries, where the amount involved in such proceedings is equivalent to or in excess of 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company, which is determined to be ₹59.18 crores, adopted by the Capital Raising Committee through its resolution dated July 1, 2024 ("**Materiality Threshold**"), in conformity with the 'Policy on Determination of Materiality for Disclosures' ("**LODR Materiality Policy**") framed in accordance with Regulation 30 of the SEBI LODR Regulations and adopted by our Board, have been disclosed in this section. Additionally, all outstanding matters involving our Company or Subsidiaries, where the amount involved, either does not meet the Materiality Threshold or is unquantifiable, but which are material in the opinion of our Board or where an adverse outcome may result in material or adverse impact on the operations or financial position of our Company, have been disclosed in this section.*

Pre-litigation notices received by our Company and our Subsidiaries from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) will not be evaluated for materiality until such time as our Company and our Subsidiaries are impleaded as defendants in such litigation proceedings before any judicial forum. Further, disputes arising between the shareholders of our Company will not be considered for the purposes of disclosure in this section until such time as our Company is made a direct defendant in such proceedings.

Litigation involving our Company

Criminal proceedings against our Company

1. The Food Inspector, C.S. Office Rohtas, Sasaram, ("**Food Inspector**") had filed a prosecution report against the managing director of the *erstwhile* Tata Tea Limited on September 11, 2006, ("**Prosecution Report**") before the Subdivisional Judicial Magistrate, Sasaram under section 16(1)(a)(i) of the Prevention of Food Adulteration Act, 1954, pursuant to an analysis report wherein the results of the analysis of a sample of tea leaves obtained by the Food Inspector suggested that the tea leaf sold by our Company did not conform to the relevant labelling provisions and was misbranded. Cognizance of the Prosecution Report was taken by the Sub-Divisional Judicial Magistrate, 1st class, Rohtas, Sasaram ("**Trial Court**"), in their order dated November 10, 2006 and summons were issued against the *erstwhile* Tata Tea Limited ("**Accused**"). Subsequently, by way of an order dated February 17, 2017, (together with the order dated November 10, 2006, the "**Impugned Orders**") the Trial Court initiated proceedings against the Accused under sections 82 and 83 of the Code of Criminal Procedure, 1973.

   Subsequently, the *erstwhile* Tata Tea Limited filed a criminal miscellaneous petition dated July 21, 2017 ("**Petition**") before the High Court of Judicature at Patna ("**High Court**") against the Food Inspector and the State of Bihar ("**Respondents**") to quash the Impugned Orders and the related proceedings against the Accused on the grounds that *inter alia*, the Prosecution Report pursuant to which the Impugned Orders were passed failed to array the *erstwhile* Tata Tea Limited as an accused and sought to proceed against an unnamed managing director of the *erstwhile* Tata Tea Limited. The High Court listed the Petition for hearing on January 29, 2018 and passed an order issuing notice to the Respondents and staying the proceedings in the Trial Court. The Respondents have since filed a counter affidavit on April 5, 2018 to which, the *erstwhile* Tata Tea Limited has filed a rejoinder on August 25, 2022. This matter is currently pending.

2. The National Commodity and Derivatives Exchange Limited, a commodity exchange in India, ("**NCDEX**") has filed a criminal miscellaneous petition dated January 25, 2019 ("**Complaint**") before the Additional Chief Judicial Magistrate (Economic Offences) Court, Ernakulam, Kerala, ("**Trial Court**") against our Company and another party alleging that our Company is engaged in trading of black pepper adulterated with mineral oil. In 2012, the NCDEX had introduced black pepper as one of the commodities on their exchange and our Company had accordingly participated in the online trading of black pepper and pepper derivative contracts using the NCDEX online trading platform. The Commissioner of Food Safety, Kerala, pursuant to a complaint received from one of the buyers of pepper, conducted investigations and found that the samples of pepper received from our Company were adulterated with mineral oil. Subsequently, pursuant to various orders by the Commissioner of Food Safety, Kerala, ~6,400 metric tonnes of pepper was destroyed. NCDEX, by way of its Complaint, approached the High Court of Kerala alleging, *inter alia*, that our Company had obtained undue benefit by

depositing black pepper adulterated with mineral oil and caused wrongful loss and damage to NCDEX. The Trial Court took cognizance of the Complaint and posted the matter for hearing on May 16, 2023.

Our Company, along with the other accused in this matter, has subsequently filed a criminal miscellaneous petition ("**Petition**") before the High Court of Kerala at Ernakulam ("**High Court**") on April 25, 2023 to quash the Complaint on the basis that the pepper deposited was as per prescribed quality standards and after performance of quality check. The High Court on April 12, 2024 passed an order staying the proceedings in the Trial Court till July 12, 2024 ("**Interim Order**"). Further, the High Court on July 11, 2024 passed an order to extend the Interim Order by six months.
This matter is currently pending.

3. Our Company received a notice dated November 15, 2015 ("**Notice**"), issued by the sub-inspector of police, Malakiparai ("**Police**") under section 91 of CrPC, pursuant to section 7 of the Kerala Land Conservancy Act, 1957 ("**Act**"), for allegedly occupying and possessing government land ("**Land**"). By way of the Notice, the Police directed our Company to produce title documents in relation to the Land for enquiry into criminal cases purported to have been registered against our Company under sections 7(a), (b), (c) and (d) of the Act and sections 423 and 424 of the IPC on a complaint allegedly filed by V. Mohankumar, Secretary of Public Interest Protection Association. Subsequently, our Company filed a writ petition dated November 21, 2015 ("**Writ**"), before the High Court of Kerala ("**High Court**"), to (i) declare section 7 of the Act as unconstitutional, and (ii) call for the records relating to the Notice and quash the same by issuing a writ of certiorari. The proceedings pursuant to the Notice have been stayed by the High Court through its order dated September 20, 2019. The matter is currently pending.

Criminal proceedings by the Company

1. Our Company filed a complaint dated August 21, 2001 ("**Complaint**") with the Senior Superintendent of Police, Kachari Complex, Varanasi, against Gauri Shankar Jhunjhunwala and others ("**Accused Parties**") for refusal by the Accused Parties to return goods and the wrongful realization of monetary gain from the sale of said goods amounting to ₹ 0.11 crores. However, since no action was taken on the Complaint, our Company filed a criminal complaint dated September 24, 2001, before the court of VII Additional Chief Judicial Magistrate, Varanasi, Uttar Pradesh ("**Trial Court**"), against the Accused Parties pursuant to which process summons were issued to the Accused Parties. However, since the Accused Parties repeatedly failed to appear before the Trial Court, non-bailable warrants were issued against them, against which they obtained a stay order from the High Court of Allahabad dated February 16, 2009 ("**Stay Order**"). The Stay Order was subsequently vacated automatically as no extension to the stay was granted. Thereafter, non-bailable warrants were issued against the Accused Parties for appearance from time to time and the Accused Parties failed to appear. Our Company has made an application under sections 403, 406, 419, 420 and 473 of the Indian Penal Code, 1860, before the court of Additional Chief Judicial Magistrate (IX) Varanasi, Uttar Pradesh to issue process under sections 82 and 83 of the Code of Criminal Procedure, 1973 against the Accused Parties. The matter is currently pending.

2. A legal notice dated January 6, 2021, (the "**Legal Notice**") was issued under section 138 of the Negotiable Instruments Act, 1881, against Chopra Brothers, a partnership firm, and others (the "**Accused**") by our Company. The Accused were engaged by our Company as a non-exclusive super stockiest for sale and distribution of certain products of our Company. Further to the goods sold and supplied to the Accused from our Company, an amount of ₹10.70 crores was payable by the Accused. Cheques were issued to our Company by the Accused for repayment of the due amount. However, the cheques were returned dishonoured to our Company. Thereafter, the Legal Notice was issued to the Accused by our Company demanding the repayment of the due amount. Subsequently, a memorandum of complaint under section 200 of the Code of Criminal Procedure, 1973 read with sections 138 and 142 of the Negotiable Instruments Act, 1881 was filed by our Company against the Accused before the XXXIVth Additional Chief Metropolital Magistrate, Mayo Hall Unit, Bengaluru, pursuant to which, proceedings were initiated against the Accused by way of the order of the XXXIVth Additional Metropolitan Magistrate, Mayo Hall Unit, Bengaluru dated February 17, 2021. Further, our Company filed an application under Section 143A of NI Act for an interim compensation of ₹2.14 crores. This matter is currently pending.

3. A complaint dated March 22, 2013, (the "**Complaint**") was filed at the South Port Police Station, Kolkata, by a representative of our Company alleging that cheating, theft and adulteration of bulk raw tea were committed by the collection agents of DARCL Logistic Limited and Siddhi Vinayak Logistic Limited. The court of Chief Judicial Magistrate, Alipore ("**Trial Court**") took cognizance of the Complaint on the grounds that the tea stored in the warehouses of our Company had been opened and adulterated with a spurious black material and proceedings were initiated before the Trial Court against DARCL Logistic Limited, Siddhi Vinayak Logistic Limited and others ("**Accused**") under sections 120B, 406, 272 and 420 of the Indian Penal Code, 1860. Subsequently, the Accused filed an application under section 482 of the Code of Criminal Procedure, 1973 before the High Court at Calcutta ("**High Court**") seeking the quashing of the proceedings in the Trial Court on the grounds that, *inter alia,* the Accused has been wrongly implicated in these proceedings. The High Court stayed the proceedings pending before the Trial Court by way of an order dated August 30, 2016 ("**Stay Order**"). The Stay Order has been extended from time to time. This matter is currently pending.

Material civil proceedings

Nil

Material tax proceedings

Nil

Material proceedings before regulatory authorities involving material violations of statutory regulations

Nil

Further, as on the date of this Letter of Offer, there are no findings/observations of any of the inspections by SEBI or any other regulator in the past five years which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

Matters involving economic offences where proceedings have been initiated against our Company

Nil

Other pending matters, which if they result in an adverse outcome, would materially and adversely affect the operations or financial position of our Company

1. Our Company received a notice for summons dated July 3, 2023 ("**ED Notice**") from the Directorate of Enforcement, Kolkata-I Zonal Office, Ministry of Finance, Government of India ("**ED**") under the section 37(1) and (3) of the FEMA read with section 131 of the Income-Tax Act and 30 of the Code of Civil Procedure, 1908, for certain transactions conducted by our Company and its subsidiaries between the period FY 2006 to FY 2023. The ED Notice requested for details along with certain evidences and documents including in relation to (a) details of investments made by our Company in its subsidiary, Tata Consumer Products UK Group Limited; (b) details of the filings made by our Company in relation to each such investments including the resulting change in shareholding pattern; (c) net worth of our Company and the total financial commitment comparison at the time of such investments; (e) details of the core business activity of our Company and Tata Consumer Products UK Group Limited at the time of the first investment; (f) details of approvals sought by our Company from RBI or the GOI for such investments; and (g) details of dividend received, if any, from Tata Consumer Products UK Group Limited by our Company since April 1, 2006. Our Company provided its statements to the ED on August 7, 2023, August 28, 2023 and submitted our written response on September 14, 2023. As on the date of this Letter of Offer, our Company has not received any further communication from the ED in this respect.

2. Our Company received a draft assessment order ("**DRO**") under section 144C(1) of the Income-Tax Act on September 29, 2023, wherein the income tax authorities have proposed disallowance of certain expenses/deductions claimed by our Company for financial year 2019-20. In the DRO, the income tax authorities have (a) disallowed depreciation claim on intangible assets amounting to ₹1,505.35 crore, (b) disallowed expenditure of ₹8.82 crore under section 14A of the Income-Tax Act read with rule 8D of the Income Tax Rules and (c) undertaken downward arm's length price adjustment of ₹14.08 crores towards the technical/support service fees paid by our Company to certain associated entities. Our Company filed its objections on October 27, 2023 in respect of the DRO, before the Dispute Resolution Panel-2, New Delhi, ("**DRP**") on the grounds of (i) claim for depreciation on intangible assets being in line with position of law and supported by ruling of the Hon'ble Supreme Court, (ii) the disallowance under section 14A being untenable and the claim being supported by rulings of courts in our Company's own case, and (iii) the nature and value for services received by our Company from its associated entities have been agreed with Central Board of Direct Taxes pursuant to an advance pricing agreement. The DRP by way of its directions dated June 19, 2024, agreed with DRO on disallowance of depreciation and expenditure under section 14A and reversed the downward arm's length price adjustment towards technical/support services fees. Our Company has received the assessment order dated June 27, 2024, under section 143(3) read with section 144C(13) of the Income-Tax Act giving effect to the DRP directions. Further, the final assessment order did not consider the deduction under section 80G of the Act of ₹7.13 crore. The tax demand as per the final assessment order is ₹171.83 crore (including interest). Our Company is in the process of reviewing the order and preparing for an appeal before the appropriate judicial / adjudicating authority.

Litigation involving our Subsidiaries

Criminal proceedings

Filed by our Subsidiaries

1. A first information report dated April 27, 2018, was filed by Sharad Sharma on behalf of Organic India against Nandha Kumar ("**Accused**"), store manager of Organic India alleging that the Accused committed embezzlement, cheating, misappropriation, theft, forgery, fabrication and other offences. The matter is currently pending.

2. A first information report dated July 13, 2022, was filed by Organic India against an anonymous person ("**Accused**") under Sections 419, 420 and 511 of the IPC alleging that the Accused was misusing their name and logo to defraud its customers into paying money through a scheme of lucky draw. The matter is currently pending.

3. A first information report dated December 7, 2020 ("**FIR**"), was filed by Organic India against Rohit Singh Raghav, the proprietor of Mohan Milk ("**Accused**") under sections 420 and 209 of the IPC, alleging that the Accused has fraudulently taken money amounting to ₹24,49,601, under the supplier agreement dated September 24, 2018, entered into by and between Organic India and M/s. Mohan Milk Processing Plant. The Accused has filed a writ petition dated January 8, 2021, before the High Court of Judicature at Allahabad, Lucknow Bench, to quash the FIR and to issue mandamus against arrest of the Accused. The matter is currently pending.

4. Organic India has filed a criminal complaint along with complaint under section 138 of the Negotiable Instruments Act, 1881, dated December 18, 2018 before the Chief Metropolitan Magistrate, Patiala House Court, District, New Delhi, in relation to dishonour of cheque and the recovery of amounts against Rakesh Phad, channel partner of Organic India ("**Accused**"). Organic India alleged that the Accused had presented a cheque to them for a sum of ₹5,00,000 for unpaid dues payable to Organic India which was dishonoured. The matter is currently pending.

5. Organic India has filed two criminal complaints, each dated May 6, 2023 under the provisions of Section 138 of the Negotiable Instruments Act, 1881 before the court of Additional Chief Judicial Magistrate - VI, Lucknow, in relation to dishonour of cheques and the recovery of amounts against G. Janardhan, an employee of Organic India ("**Accused**"). Organic India alleged that the Accused had embezzled funds from one of their stores amounting to ₹2,70,893. The Accused had issued two cheques amounting to ₹1,70,893 and ₹1,00,000, respectively, to repay the embezzled amount which were dishonoured. The matter is currently pending.

Filed against our Subsidiaries

1. Bimal Bohra, the managing director of J.B. Warehousing and Trading Limited ("**Complainant**"), a consignee agent of Capital Foods, had filed a criminal complaint before the court of Judicial Magistrate, First Class, Patna, Patna District Court ("**Court**"), against Capital Foods and others ("**Accused**" and together with the Complainant, the "**Parties**"), alleging violation of section 420 of the IPC for non-payment of ₹43,737. Consequently, the Parties have entered into a settlement agreement dated July 5, 2011 ("**Settlement Agreement**"), and a joint application for recording the Settlement Agreement has been filed before the Court on July 5, 2011. The matter is currently pending for recording the Settlement Agreement.

Material civil proceedings

Nil

Material tax proceedings

Nil

Material proceedings before regulatory authorities involving material violations of statutory regulations

Nil

Matters involving economic offences where proceedings have been initiated against our Subsidiaries

Nil

Other pending matters, which if they result in an adverse outcome, would materially and adversely affect the operations or financial position of our Company

Organic India has received a notice dated September 20, 2019 ("**Notice**") from Zonal Office Lucknow, Directorate of Enforcement ("**ED Lucknow**") under Section 37 of the FEMA read with Section 133(6) of the Income-Tax Act seeking Organic India to furnish the following: (a) complete details of foreign direct investments ("**FDI**") / external commercial borrowing ("**ECB**") / foreign institutional investment ("**FII**") and other investments received from abroad during 2006 to 2009 in Organic India; (b) copies of approvals and intimations taken/given from government authorities with respect to such investments; (c) copies of correspondences/approvals of RBI in respect of investment along with copies of the FC-GPR and other regulatory forms as applicable; (d) end use of FDI/ECB/FII and other investments taken from abroad; (e) copies of account statements in which investment was received reflecting such investment from foreign investors; (f) copies of memorandum of association and minutes of annual general meetings from Fiscal 2006 to Fiscal 2010; (g) copies of share allotment/stock register with effect from April 1, 2005 to March 31, 2010 in respect of shares issued and acquired; and (h) copies of balance sheets/ audited annual statement of the Company from Fiscals 2006 to 2010. Further, ED Lucknow also issued a notice for summons dated October 27, 2020 ("**Summons**") to the director of Organic India under FEMA to appear and furnish certain documents in relation to the

Notice. In response to the Notice and Summons, Organic India has submitted responses on September 27, 2019, November 18, 2019, June 4, 2020, November 6, 2020, November 10, 2020 and July 28, 2022. As on the date of this Letter of Offer, Organic India has not received any further communication from the ED in this respect.

GOVERNMENT AND OTHER APPROVALS

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, refer to the chapter titled "*Objects of the Issue*" beginning at page 55.

MATERIAL DEVELOPMENTS

No material developments have occurred since the date of the last balance sheet i.e., March 31, 2024, which materially or adversely affect or are likely to affect: (a) the operations or the profitability of the Company; or (b) the value of its assets; or (c) its ability to pay its liabilities in the next 12 months; or (d) its performance and prospects, except as disclosed in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Developments After March 31, 2024 That May Affect our Future Results of Operations*" on page 856.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on January 19, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act.

This Letter of Offer has been approved by our Capital Raising Committee pursuant to its resolution dated July 1, 2024. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Capital Raising Committee at its meeting held on July 23, 2024.

The Capital Raising Committee, in its meeting held on July 23, 2024, has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹818.00 per Rights Equity Share (including a premium of ₹817.00 per Rights Equity Share) aggregating up to ₹2,997.77 crore* and the Rights Entitlement as 1 (One) Rights Equity Share for every 26 (Twenty-six) fully paid-up Equity Shares, held as on the Record Date. The Issue Price has been arrived at by our Company in consultation with the Lead Managers prior to determination of the Record Date.

**Assuming full subscription in the Issue.*

Our Company has received in-principle approvals from NSE, BSE and CSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated July 12, 2024, July 12, 2024 and July 15, 2024, respectively. Our Company will also make applications to NSE, BSE and CSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: INE192A20017 for the Rights Entitlements to be credited to the respective demat accounts of Allottees. For details, see "*Terms of the Issue*" beginning on page 872.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoter, the members of our Promoter Group and our Directors have not been and are not prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoter and our Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated by SEBI against any of our Directors, who have been associated with the securities market.

Neither our Promoter nor any of our Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the NSE, BSE and CSE has received their in-principle approvals through their letters dated July 12, 2024, July 12, 2024 and July 15, 2024 for issuance of the Rights Equity Shares pursuant to this Issue. NSE is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing of this Letter of Offer. Our Equity Shares have also been listed on CSE, for a period of at least three years immediately preceding the date of filing this Letter of Offer;

2. The entire shareholding of the members of our Promoter Group in our Company is held in dematerialized form as at the date of filing of this Letter of Offer*;

   Our Company filed an exemption application with SEBI dated April 5, 2024 seeking an exemption under Regulation 300(1)(c) from the strict enforcement of Regulation 99(b) of the SEBI ICDR Regulations read with the SEBI master circular, bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 ("Exemption Application**"), seeking permission to enable our Company to undertake the Issue through 'fast track route'. In terms of Regulation 99(b) of the SEBI ICDR Regulations, the entire shareholding of the promoter group of the Company is required to be held in dematerialised form on the reference date. As on date, our Promoter holds 27,05,57,128 equity shares of which 57 equity shares are in physical form and could not be dematerialized. These shares were allotted to our Promoter in physical form in exchange for 50 shares of Tata Chemicals Limited held by our Promoter which are disputed, and the matter is currently sub-judice before the High Court of Calcutta. On May 31, 2024, SEBI granted the exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from dematerialisation of the 57 Equity Shares held by the Promoter for undertaking the Issue through fast-track route as prescribed under Regulation 99(b) of the SEBI ICDR Regulations.*

3. The average market capitalization of the public shareholding (as defined in the SEBI ICDR Regulations) of our Company is at least ₹250 crore, in at least one of the recognized stock exchanges with nationwide trading terminals, where our securities are listed, calculated as per explanation (i) of Regulation 99 of SEBI ICDR Regulations;

4. The annualized trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of this Letter of Offer has been at least 2% of the weighted average number of Equity Shares listed during such six-months period on each of the Stock Exchanges;

5. The annualized delivery-based trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of this Letter of Offer has been at least 10% of the annualized trading turnover of our Equity Shares during such six-month period on each of the Stock Exchanges;

6. Our Company has been in compliance with the equity listing agreement entered into with the Stock Exchanges and the SEBI LODR Regulations, for a period of at least three years immediately preceding the date of filing of this Letter of Offer;

7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month of filing of this Letter of Offer;

8. As on the date of filing of this Letter of Offer, no show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, our Promoter or Whole-time Directors. Further, no show cause notices have been issued by the SEBI or an Adjudicating Officer in a proceeding for imposition of penalty and/or no prosecution proceedings have been initiated by SEBI, against our Company, our Promoter or Whole-time Directors;

9. Our Company, our Promoter, the members of our Promoter Group or our Directors have not settled any alleged violations of securities laws through the settlement mechanism with SEBI during the three years immediately preceding the date of filing of this Letter of Offer;

10. Our Equity Shares have not been suspended from trading as a disciplinary measure during the three years immediately preceding the date of filing of this Letter of Offer;

11. There is no conflict of interest between the Lead Managers and our Company or our Group Companies in accordance with applicable regulations;

12. Our Promoter has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and they will not renounce their Rights Entitlements, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoter for the purpose of complying with minimum public shareholding norms prescribed under the SCRR. Further, our Promoter confirmed that during the Issue Period, they intend to (i) apply for and subscribe to additional Equity Shares, and (ii) subscribe to Equity Shares, if any, which remain unsubscribed in

the Issue. Our Promoter Group, to the extent that they hold Equity Shares in the Company, have confirmed to either (i) subscribe to the full extent of their respective Rights Entitlements in the Issue, or (ii) renounce, any or all, of their Rights Entitlements in the Issue in favour of our Promoter. For details, see "*Capital Structure – Intention and extent of participation by our Promoter and Promoter Group*" on page 53; and

13. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company, in respect of the Financial Years for which such accounts are disclosed in this Letter of Offer.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2. The reports, statements and information referred to above are available on the websites of BSE, NSE and CSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Non-applicability of conditions precedent under Clause (3) of Part B of schedule VI of the SEBI ICDR Regulations

1. Our Company's management has not undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the SEBI Takeover Regulations, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such change; and

2. Our Company has not been listed consequent to the relaxation granted by SEBI under sub-rule (7) of Rule 19 of the SCRR for listing of its specified securities pursuant to a scheme sanctioned by a High Court under Sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under Sections 230 to 234 of the Companies Act, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such listing.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, and given that the conditions prescribed in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGERS, NAMELY, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGERS BEING NAMELY KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS INDIA PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 23, 2024, WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE.

(2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. <u>COMPLIED WITH</u>

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. <u>NOT APPLICABLE</u>

(5) WRITTEN CONSENT FROM THE PROMOTER HAVE BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. <u>NOT APPLICABLE</u>

(6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. <u>NOT APPLICABLE</u>

(7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. <u>NOT APPLICABLE</u>

(8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. <u>NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE</u>

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. <u>COMPLIED WITH TO THE EXTENT APPLICABLE</u>

(10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING EQUITY SHARES WITH SUPERIOR RIGHTS. COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY EQUITY SHARES WITH SUPERIOR RIGHTS); AND**

(b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH**

(11) **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. NOTED FOR COMPLIANCE**

(12) **IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. NOT APPLICABLE**

(13) **NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. COMPLIED WITH**

(14) **THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. COMPLIED WITH TO THE EXTENT APPLICABLE***

Our Company filed an exemption application with SEBI dated April 5, 2024 seeking an exemption under Regulation 300(1)(c) from the strict enforcement of Regulation 99(b) of the SEBI ICDR Regulations read with the SEBI master circular, bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (“Exemption Application**”), seeking permission to enable our Company to undertake the Issue through ‘fast track route’. In terms of Regulation 99(b) of the SEBI ICDR Regulations, the entire shareholding of the promoter group of the Company is required to be held in dematerialised form on the reference date. As on date, our Promoter holds 27,05,57,128 equity shares of which 57 equity shares are in physical form and could not be dematerialized. These shares were allotted to our Promoter in physical form in exchange for 50 shares of Tata Chemicals Limited held by our Promoter which are disputed, and the matter is currently sub-judice before the High Court of Calcutta. On May 31, 2024, SEBI granted the exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from dematerialisation of the 57 Equity Shares held by the Promoter for undertaking the Issue through fast-track route as prescribed under Regulation 99(b) of the SEBI ICDR Regulations.*

(15) **THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. COMPLIED WITH**

(16) **ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE**

(17) **AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH**

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Managers shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

The Lead Managers and their affiliates may engage in transactions with and perform services for our Company or our affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or our affiliates, for which they have received and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is NSE.

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Letter of Offer is as under:

"*As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/42640 dated July 12, 2024 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.*

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Letter of Offer is as under:

"*BSE Limited ("the Exchange") has given, vide its letter dated July 12, 2024 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:*

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- *Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- *Take responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent *inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated herein or for any other reason whatsoever."*

Disclaimer Clause of CSE

As required, a copy of this Letter of Offer has been submitted to CSE. CSE has not intimated any disclaimer clause to our Company post scrutiny of this Letter of Offer and *vide* its letter dated July 15, 2024, has given permission to our Company to use the name of CSE in this Letter of Offer.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Filing

This Letter of Offer is being filed with the Stock Exchanges and SEBI as per the provisions of the SEBI ICDR Regulations. Further, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI Intermediary Portal at www.sipotal.sebi.gov.in, in accordance with SEBI ICDR Master Circular.

Our Company filed an exemption application with SEBI dated April 5, 2024 seeking an exemption under Regulation 300(1)(c) from the strict enforcement of Regulation 99(b) of the SEBI ICDR Regulations read with the SEBI master circular, bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 ("**Exemption Application**"), seeking permission to enable our Company to undertake the Issue through 'fast track route'. In terms of Regulation 99(b) of the SEBI ICDR Regulations, the entire shareholding of the promoter group of the Company is required to be held in dematerialised form on the reference date. As on date, our Promoter holds 27,05,57,128 equity shares of which 57 equity shares are in physical form and could not be dematerialized. These shares were allotted to our Promoter in physical form in exchange for 50 shares of Tata Chemicals Limited held by our Promoter which are disputed, and the matter is currently sub-judice before the High Court of Calcutta. On May 31, 2024, SEBI granted the exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from dematerialisation of the 57 Equity Shares held by the Promoter for undertaking the Issue through fast-track route as prescribed under Regulation 99(b) of the SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023 and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which meets at least once every year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Compliance Officer.

The investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Chief Financial Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see *"Terms of the Issue"* beginning on page 872.

The contact details of Registrar to the Issue and our Chief Financial Officer are as follows:

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
E-mail: tcpl.rights2024@linkintime.co.in
Investor Grievance ID: tcpl.rights2024@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058

Chief Financial Officer

Sivakumar Sivasankaran is the Chief Financial Officer of our Company. His details are as follows:

Sivakumar Sivasankaran
11/13, Botawala building
1st floor, Office #2-6 Horniman Circle Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 22 6121 8400
E-mail: investor.relations@tataconsumer.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

Please note that our Company has opened a separate demat suspense escrow account (namely, "LIIPL TATA CONSUMER RIGHTS 2024 ESCROW DEMAT ACCOUNT") ("Demat Suspense Account") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("IEPF") authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed / suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., by Monday, August 19, 2024, to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 897.

The Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable laws) on the websites of:

(i) our Company at www.tataconsumer.com;

(ii) the Registrar at www.linkintime.co.in;

(iii) the Lead Managers, at www.investmentbank.kotak.com, www.axiscapital.co.in and https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-.

(iv) the Stock Exchanges at www.bseindia.com, www.nseindia.com and www.cse-india.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.linkintime.co.in.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.tataconsumer.com.

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for not sending the physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue

Materials may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, such Issue Materials must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India).

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Managers to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

  The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts.

  Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

  Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

  Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

  Applicants should carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see "- *Grounds for Technical Rejection*" on page 880. Our Company, the Lead Managers, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

  Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights

Entitlements. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 876.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to in the Issue.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Managers, our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(c) Do not send your physical Application to the Lead Managers, the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(e) Do not submit Application Form using third party ASBA account.

(f) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.

(g) Do not submit Multiple Application Forms.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Tata Consumer Products Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as on Record Date;

6. Allotment option – only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total Application amount paid at the rate of ₹818.00 per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in "*Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers*" on page 897, and shall include the following:

    *"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the*

Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on Purchases and Resales" on page 897.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that the Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall visit https://liiplweb.linkintime.co.in/rightsoffers/rightsissues-PlainPaper.aspx, to upload their client master sheet and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date; and

(c) The remaining procedure for Application shall be same as set out in the section entitled "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 876.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity

Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled "- *Basis of Allotment*" on page 891.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Additional general instructions for Investors in relation to making of an Application

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 876.

(d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Managers.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-Tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to**

such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit Multiple Applications.

(s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA Rules, as amended.

(t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Managers, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records.

(s) Applicants not having the requisite approvals to make Application in the Issue.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such

Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" on page 883.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled "*Capital Structure – Intention and extent of participation by our Promoter and Promoter Group*" on page 53.

- ***Procedure for Applications by certain categories of Investors***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies ("**NBFC-SI**")*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Monday, August 19, 2024, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled "- *Basis of Allotment*" on page 891.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, *www.linkintime.co.in*) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, *www.tataconsumer.com*).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE192A20017. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense Account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.*linkintime.co.in/EmailReg/Email_Register.html*). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹ 818.00 per Rights Equity Share (including premium of ₹ 817.00 per Rights Equity Share) shall be payable on Application.

The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE192A20017 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday, August 5, 2024 to Monday, August 12, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE192A20017 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE, NSE and CSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) *Off Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE192A20017, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see "*The Issue*" beginning on page 45.

- ***Fractional Entitlements***

  The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 (One) Equity Share for every 26 (Twenty-six) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 26 (Twenty-six) Equity Shares or not in the multiple of 26, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

  Further, the Eligible Equity Shareholders holding less than 26 (Twenty-six) Equity Shares as on Record Date shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

  The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/Rights/AM/FIP/573/2024-25 dated July 12, 2024, from the NSE through letter bearing reference number NSE/LIST/42640 dated July 12, 2024 and from the CSE through letter bearing reference number CSE/LD/6290/2024 dated July 15, 2024. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500800), NSE (Symbol: TATACONSUM) and CSE (Demat: 10000027 and Physical: 27) under the ISIN: INE192A01025. However, there is no active trading on CSE. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Notice to GDR holders***

The Company had a GDR program wherein Deutsche Bank Trust Company Americas ("**Deutsche Depository**") was appointed as the exclusive depository for this program and each of the GDRs represent one underlying equity share of face value of ₹1 each of the Company. These GDRs were listed on the London Stock Exchange and Luxembourg Stock Exchange.

As on date of this Letter of Offer the GDR program has been terminated with effect from June 23, 2023 pursuant to the termination notice received from the Deutsche Depository. Accordingly, the GDRs are delisted from the Luxembourg Stock Exchange and the London Stock Exchange with effect from June 24, 2023, and July 26, 2023, respectively.

- ***Subscription to this Issue by our Promoter and members of our Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoter and Promoter Group*" on page 53.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

(a) The right to receive dividend, if declared;

(b) The right to receive surplus on liquidation;

(c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

(d) The right to free transferability of Rights Equity Shares;

(e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and

(f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

- ***Notices***

Our Company will send through email and speed post, this Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Bengali language daily newspaper with wide circulation (Bengali being the regional language of Kolkata, where our Registered Office is situated).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

  As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

  This Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

  In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

  The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at tcpl.rights2024@linkintime.co.in / investor.relations@tataconsumer.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 891.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**FRIDAY, AUGUST 2, 2024**
ISSUE OPENING DATE	**MONDAY, AUGUST 5, 2024**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	**MONDAY, AUGUST 12, 2024**
ISSUE CLOSING DATE*	**MONDAY, AUGUST 19, 2024**
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	**FRIDAY, AUGUST 23, 2024**
DATE OF ALLOTMENT (ON OR ABOUT)	**MONDAY, AUGUST 26, 2024**
DATE OF CREDIT (ON OR ABOUT)	**WEDNESDAY, AUGUST 28, 2024**
DATE OF LISTING (ON OR ABOUT)	**FRIDAY, AUGUST 30, 2024**

\# *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

* *Our Board or the Capital Raising Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, *i.e.*, Monday, August 19, 2024, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Monday, August 19, 2024.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

- **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

(a) Unblocking amounts blocked using ASBA facility.

(b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

a) Tripartite agreement dated March 31, 1998, amongst our Company, NSDL and the Registrar to the Issue; and

b) Tripartite agreement dated October 21, 1999, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor’s depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor’s depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant’s depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant’s depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.10 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.10 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.50 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.

3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) No further issue of securities shall be made till the securities offered through this Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.

7) Adequate arrangements shall be made to collect all ASBA Applications.

8) As on date, our Company does not have any convertible debt instruments.

9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Tata Consumer Products Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

   Link Intime India Private Limited
   C-101, 1st Floor, 247 Park
   Lal Bahadur Shastri Marg, Vikhroli (West)
   Mumbai 400 083
   Maharashtra, India
   Tel: +91 810 811 4949
   E-mail: tcpl.rights2024@linkintime.co.in
   Investor Grievance ID: tcpl.rights2024@linkintime.co.in
   Contact Person: Shanti Gopalkrishnan
   Website: www.linkintime.co.in
   SEBI Registration No.: INR000004058

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 810 811 4949.

4. The Investors can visit following links for the below-mentioned purposes:

   a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in;

   b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://liiplweb.linkintime.co.in/rightsoffers/rightsissues-PlainPaper.aspx

   c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://liiplweb.linkintime.co.in/rightsoffers/rightsissues-PlainPaper.aspx

   d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: tcpl.rights2024@linkintime.co.in

   This Issue will remain open for a minimum seven days. However, our Board or the Capital Raising Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The FDI Policy consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations. Investors are cautioned to consider any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchanges.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Equity Shares are only being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act to Eligible Equity Shareholders located in jurisdictions where such offer and sale is permitted under the laws of such jurisdictions. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit this letter of offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in offshore transactions in reliance on Regulation S.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “**purchaser**”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulation S under the U.S. Securities Act).

3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.

7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

11. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Managers or their affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Managers or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) neither the Lead Managers nor any of their affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Managers or their affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Managers or any of their affiliates.

14. The purchaser will not hold our Company, the Lead Managers or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Managers or their affiliates to it.

15. The purchaser understands and acknowledges that the Lead Managers are assisting our Company in respect of this Issue and that the Lead Managers are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Managers arising from their engagement with our Company and in connection with this Issue.

16. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.

17. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

18. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.

19. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Managers with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

20. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.

21. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.

22. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

23. The purchaser shall hold our Company and the Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

24. The purchaser acknowledges that our Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days and will also be available on the website of our Company from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated July 23, 2024, between our Company and the Lead Managers.

2. Registrar Agreement dated July 19, 2024, between our Company and the Registrar to the Issue.

3. Banker to the Issue Agreement dated July 22, 2024, between our Company, the Lead Managers, Registrar and the Bankers to the Issue.

4. Monitoring Agency Agreement dated July 19, 2024, between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended.

2. Certificate of incorporation dated October 18, 1962 of our Company and fresh certificate of incorporation consequent to change of name dated February 23, 1983.

3. Share purchase agreement dated January 12, 2024, entered into by our Company with Capital Foods Private Limited, Artal Asia Pte. Limited, General Atlantic Singapore CF Pte. Limited, Ajay Gupta and Wildflower Private Trust (through Ajay Gupta as its sole family trustee).

4. Shareholders' agreement dated January 12, 2024, entered into by our Company with Capital Foods Private Limited, Artal Asia Pte. Limited, Ajay Gupta and Wildflower Private Trust (through Ajay Gupta as its sole family trustee).

5. Share purchase agreement dated January 12, 2024, entered into by our Company with Organic India Private Limited and Fabindia Limited.

6. Exemption letter issued by SEBI dated May 31, 2024, granting exemption under Regulation 300(1)(c) of the SEBI ICDR Regulations from dematerialisation of the 57 Equity Shares held by the Promoter for undertaking the Issue through fast-track route as prescribed under Regulation 99(b) of the SEBI ICDR Regulations.

7. Consents of our Directors, Company Secretary and Compliance Officer, Lead Managers, Bankers to the Issue, legal counsel to our Company as to Indian law, the Registrar to the Issue, the Independent Chartered Accountant, and the Monitoring Agency, for inclusion of their names in the Letter of Offer to act in their respective capacities.

8. Consent letter dated July 23, 2024, from our Statutory Auditors, Deloitte Haskins & Sells LLP, to include their name in this Letter of Offer, as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of and inclusion of (i) their audit report dated April 23, 2024, in respect of the Audited Consolidated Financial Statements, as applicable and (ii) the statement of possible special tax benefits available to our Company and its shareholders dated July 1, 2024, and such consent has not been withdrawn as of the date of this Letter of Offer. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

9. Our Company has received written consent dated July 1, 2024, from Barnes Roffe LLP, to include their name as required under Section 26(5) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of and inclusion of the statement of possible special tax benefits available to our Material Subsidiaries dated July 1, 2024, and such consent has not been withdrawn as of the date of this Letter of Offer.

10. Consent letter dated July 1, 2024, from Murali and Sumeet, Chartered Accountants, to include their name in this Letter of Offer, as required under Section 26(5) of the Companies Act, 2013, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued by them in their capacity as an Independent Chartered Accountant to our Company.

11. Consent letter dated July 22, 2024, from Kanti Karamsey & Co. Advisors LLP, chartered engineer, to include their name in this Letter of Offer, as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as

an Independent Chartered Engineer, in relation to the certificate dated July 22, 2024, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities.

12. Statement of possible special tax benefits available to our Company and, its shareholders dated July 1, 2024, from the Statutory Auditors included in this Letter of Offer.

13. Statement of possible special tax benefits available to our Material Subsidiaries dated July 1, 2024, from Barnes Roffe LLP, included in this Letter of Offer.

14. The Audited Consolidated Financial Statements and the audit report dated April 23, 2024 in respect of the Audited Consolidated Financial Statements.

15. Resolution of our Board of Directors dated January 19, 2024 in relation to this Issue and other related matters.

16. Resolution of our Capital Raising Committee dated July 23, 2024 in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement ratio.

17. Resolution of our Capital Raising Committee dated July 1, 2024, approving and adopting the Letter of Offer.

18. Annual Reports of our Company for the Financial Years 2024, 2023, 2022, 2021 and 2020.

19. Report titled "*Industry report on global consumer food & beverages market with a focus on India*" released in Mumbai in June 2024, prepared by CRISIL MI&A and consent letter dated July 2, 2024, issued by it in respect of such report.

20. Due diligence certificate dated July 23, 2024, addressed to SEBI from the Lead Managers.

21. In-principle listing approvals dated July 12, 2024, July 12, 2024 and July 15, 2024 issued by BSE, NSE and CSE, respectively.

22. Tripartite agreement dated March 31, 1998 amongst our Company, NSDL and the Registrar to the Issue.

23. Tripartite agreement dated October 21, 1999 amongst our Company, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Chandrasekaran Natarajan

Chairman and Non-Executive Director

Date: 23.07.2024

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sunil D'Souza

Managing Director and Chief Executive Officer

Date: 23/07/2024

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ajit Sukumar Krishnakumar

Executive Director and Chief Operating Officer

Date: 23 07 2024

Place: Mljet

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Pathamadai Balachandran Balaji

Non-Executive (Non-Independent) Director

Date: July 23, 2024

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Siraj Azmat Chaudhry

Independent Director

Date: July 23, 2024

Place: Lucknow

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Bharat Puri

Bharat Tilakraj Puri

Independent Director

Date: July 23, 2024

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shikha Sharma

Independent Director

Date: July 23, 2024

Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

K P Krishnan

Independent Director

Date: July 23, 2024

Place: New Delhi

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

David Francis Crean

Independent Director

Date: July 23, 2024

Place: London

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Sivakumar Sivasankaran

Chief Financial Officer

Date: July 23, 2024

Place: Bengaluru