



Ref. No.: PSL/2022-23/CS/SE/23

Date: 9<sup>th</sup> July, 2022

To, Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051  Symbol: DIAMONDYD	To, Corporate Relationship Department <b>BSE Limited</b> P.J. Towers, Dalal Street, Mumbai - 400 001  Security Code: 540724 Security ID: DIAMONDYD
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Dear Sir/Madam,

**Subject: Submission of Annual Report for the year 2021-22 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to inform you that 13<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Wednesday, 3<sup>rd</sup> August, 2022 at 3:30 P.M. IST, through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the year 2021-22 alongwith the Notice of 13<sup>th</sup> Annual General Meeting of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For Prataap Snacks Limited

**Om Prakash Pandey**

Company Secretary and Compliance Officer



Encl: As above

**Prataap Snacks Limited**

CIN : L15311MP2009PLC021746



**PRATAAP SNACKS LIMITED**  
Annual Report 2021-22

# NAVIGATING UNCERTAINTIES. UNLOCKING POSSIBILITIES.



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### **Forward-Looking Statement**

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



# NAVIGATING UNCERTAINTIES. UNLOCKING POSSIBILITIES.

Our operating environment, tough and challenging at all times, presented newer uncertainties during the year. We treated this as an opportunity, rose to the occasion, made some prudent choices and recalibrated our business strategies.

Faced with inflationary challenges and rising commodity costs, we adopted a pragmatic approach and implemented permanent cost optimisation initiatives to counter these turbulent times. We optimally leveraged the available resources and served to improve operational efficiencies, which in turn, helped us to ably navigate through

the tough times. We recalibrated our portfolio with a variety of higher price point SKUs for home consumption and an emphasis on Namkeen segment, which will facilitate us in being a part of customers' planned purchases.

From a macro-perspective, with rising per capita income, focus on better quality and aspirational consumption, an accelerated shift can emerge in preference from the unorganised to the organised sector offerings. We intend to capture this opportunity and trend by expanding our presence, entering new markets, while consistently delivering on taste and quality.

Moving ahead, as consumers further gravitate towards safe and hygienically packaged snacks, we remain poised to face a stronger future. We continue to offer high-quality products, unlock new possibilities coming our way and tap fresh opportunities. Our pragmatic approach gives us the confidence that when market conditions rebound, our solid foundation will see us advantageously into the future.

# BEING DRIVEN BY A PURPOSE. BEING GUIDED BY OUR ASPIRATIONS.

## Over a Decade of serving high-quality snacks to Indian consumers

Headquartered in Indore, India, Prataap Snacks Ltd. (PSL) is a leading Indian Snacks Food Company. We offer multiple variants of products across categories of Potato Chips, Extruded Snacks, Namkeen (traditional Indian snacks) and Pellets under the popular and vibrant Yellow Diamond brand.

Our products are available across 27 states and 4 union territories of India

and we are one of the fastest growing companies in the organised snacks industry. We operate 14 manufacturing facilities. Of these, 7 facilities (Indore-1&2, Assam-1&2, Rajkot, Bengaluru and Kolkata) are owned and 7 (located in Hisar, Karnal, Bengaluru, Tumkur, Kanpur, Patna and Kolkata) are on contract manufacturing basis.

Our distribution network includes more than 1,500 super distributors and more than 3,700 sub-distributors, giving us an extensive reach across the country. We have a wide presence equally spread

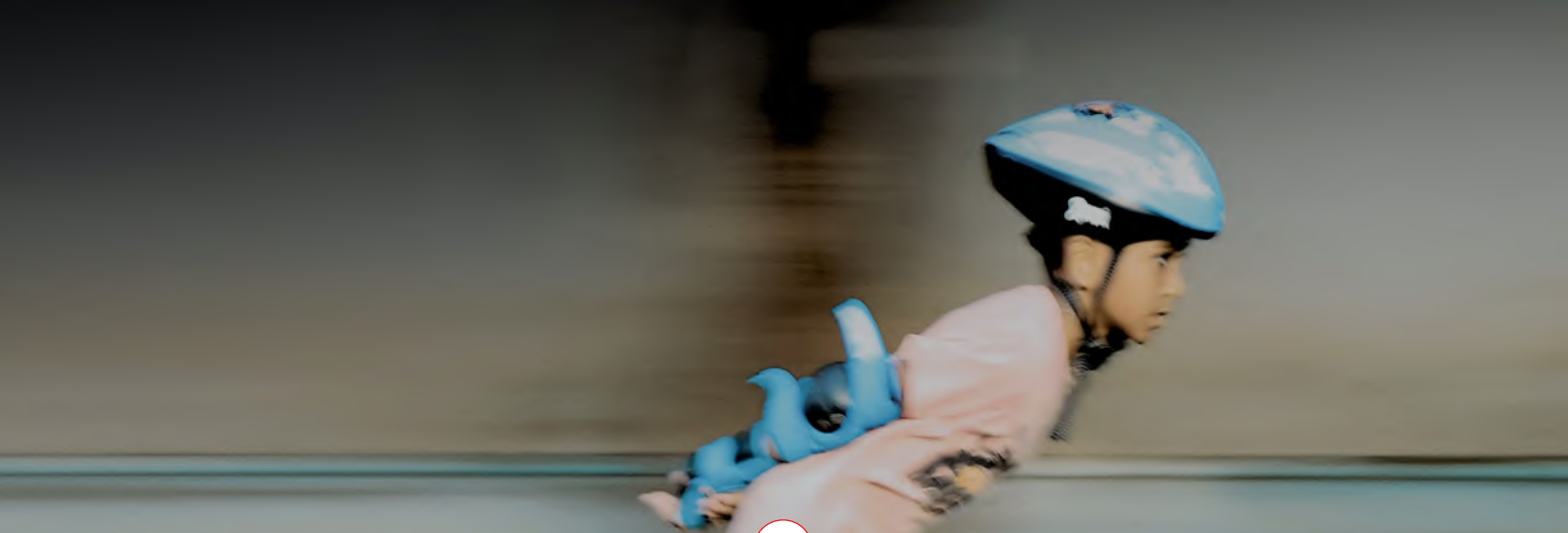
into metro cities and urban clusters as well as in rural areas and Tier 2 & 3 cities and towns.

## Great taste, high quality

We are known for great taste and high-quality products, as we cater to regional tastes and flavours and serve a variety of packet sizes at attractive price points. We are present in the far-ends of India by serving our products in 27 states and 4 union territories, delivering value-added products from Chips to Chulbule to Namkeen to Pellets.

## Our value propositions

- 1 One of India's fastest and youngest growing companies in organised snacks with pan-India presence
- 2 Offering multiple variants across categories
- 3 Focussed on delivering taste and quality
- 4 Offering across pack sizes and price variants from ₹ 5 to ₹ 100
- 5 Owning the popular Yellow Diamond brand
- 6 Diversified portfolio with Avadh Snacks acquisition
- 7 Offering sweet snacks under the Rich Feast brand



## Growing our portfolio. Moving beyond the rhetoric.

Key snack categories

### POTATO CHIPS



### NAMKEENS



### PELLETS



### EXTRUDED SNACKS – RANDOM



### EXTRUDED SNACKS – SHAPED



### SWEET SNACKS



# OUR RESILIENT PERFORMANCE

## Key Financial Highlights in FY2022

**₹1,39,662 Lakhs**

REVENUE

**₹62,425 Lakhs**

NET WORTH

**18%**

8-YEAR REVENUE CAGR

**₹6,898 Lakhs**

FREE CASH AND BANK BALANCE  
(net of short-term borrowings)

**₹1,691 Lakhs**

PAT (excluding exceptional item)

**₹0.50 per share**

(10% of face value)

DIVIDEND PAYOUT

**₹5,831 Lakhs**

OPERATING EBITDA



## OUR PASSION AT WORK

In 2003, we embarked on a journey of filling the gap in high-quality snacks in small packs and low price-points catering to bottom of the pyramid. Today, as we look back with achievement and validation, we continue setting new benchmarks and leveraging this multi-decade opportunity.

At this juncture, we look to the future with confidence and continue to be guided by our vision of building an enduring institution and serving the consumers with sensitivity. We move with determination to our next orbit of transformational growth.

### Being Responsible and Impactful



### Key developments in FY2022

#### Launched new products

Introduced Swiss Roll under the sweet snacks segment with two different flavours, i.e., orange and chocolate; and plan to use our current distribution network to cross-sell these products. Also, re-building the namkeen portfolio, launching family packs, and targeting the markets, which are more namkeen-centric.

#### Expanded portfolio

Expanding the extensive Avadh product portfolio in neighbouring districts of Gujarat border and other regions like Madhya Pradesh, Maharashtra and Rajasthan. Launched a range of pellet-based snacks across markets, being sold pan-India across the distribution network.

#### Grew volumes

We delivered encouraging volumes across product categories assisted by an uptick in consumption across key geographies. Volumes grew due to addition of new retail

outlets to distribution network, coupled with enhanced reach of the existing distribution network on the back of initiatives like tele-calling.

#### Widened distribution network

Increased reach to 2.18 million outlets during the year from 2.03 million a year ago, and continue to move deeper into the existing markets. Also expanding footprint in Southern markets, where we have relatively lower penetration. Current network comprises over 1,500 super distributors and over 3,700 sub-distributors across 27 states and 4 union territories.

#### Optimised distribution structure

Adopted a two-tier distribution model eliminating super-stockists and dealing directly with distributors. With the compressed structure, we have reduced one layer of trade margin and also eliminated certain overheads, leading to permanent cost savings.

#### Optimised costs continually

We implemented aggressive cost optimisation measures to manage cost inflation in key raw materials and other operating expenses. We implemented these initiatives across key functions like operations, logistics and sales, enabling savings and partially mitigating the impact of inflation. Direct distribution, resizing of packaging, change in recipe without affecting taste and quality and reduction of oil content comprise a few of these steps. These initiatives, combined with higher price realisation and grammage rationalisation, significantly reduced the impact of inflation. These structural changes have enabled us to significantly recoup margin, without which the impact of inflation on our financial performance would have been far more severe. We anticipate these cost savings to contribute to a higher trajectory of profitability on a sustained basis, once the volatility in raw material prices subsides.



# BEING AN ACTIVE FORCE FOR GOODNESS

A diverse portfolio at strategic price points and packs

## YELLOW DIAMOND

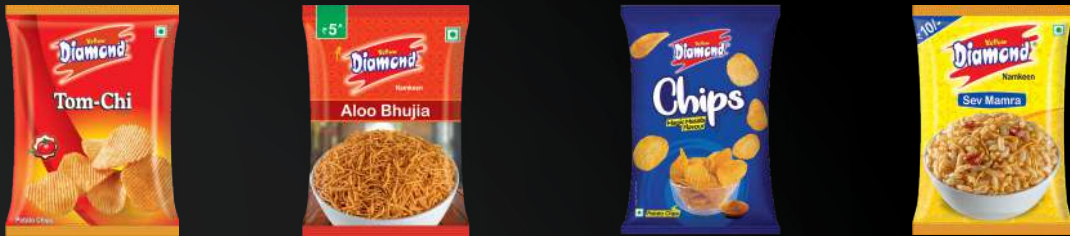


## RICH FEAST



## AVADH





# MESSAGE FROM CHAIRMAN



To elevate the business performance, we revisited all aspects of the business with a view to recalibrate our strategies and improve efficiencies in order to drive leaner operations with lowering operating costs.

## *Dear Shareholders,*

I am pleased to present our Annual Report for FY 2021-22. This fiscal year wasn't an ordinary one as it was characterised by challenges such as subsequent waves of the global pandemic, geopolitical issues and an unprecedented inflationary environment.

While the economy has been regaining momentum post-COVID, several challenges and disruptions continue in the external environment. The last two years of the pandemic have destabilised production of many key commodities and the supply chain challenges have further added to the difficulties in restoring the status quo. In addition, the conflict between Russia and Ukraine exacerbated these challenges leading to an unusual rise in commodity prices, since the region is a key exporter of foodgrains and edible oil. Steep increases in input costs and unprecedented inflation in palm oil, which is a key raw material for snack food companies, combined to create a volatile operating backdrop this fiscal.

Despite these challenges, the industry has demonstrated strong resilience. Improving consumption environment, growth in discretionary segments and higher urban demand have been helping in growing the industry. Even from a micro-perspective, our Prataap Snacks team rose to these challenges and undertook several strategic initiatives to better navigate through the setbacks. Instead of

stepping back in retreat and despair, we stood firm and looked straight into the eye of the storm.

We tracked commodity price movements closely to make sure we balance between consumer price sensitivity and margins to ensure a strong momentum in the business. We undertook various other initiatives for cost rationalisation and process improvements. We also adopted a pragmatic and cautious approach to navigate through turbulent times.

To elevate the business performance, we revisited all aspects of the business with a view to recalibrate our strategies and improve efficiencies in order to drive leaner operations with lowering operating costs. Our target has been to optimally leverage the available resources, enhance our operational structure and deliver sustained benefit to the business, as we remained unshackled towards a promising future.

Our USP being affordable and innovative products steered the boat for us at even greater speed. Adopting a pragmatic approach gave us the confidence that when market conditions rebound, our solid foundation will see us advantageously into the future. We remain poised to leverage the quantum growth opportunity in the FMCG segment.

Overall, we are encouraged to share that our teams ably mitigated the uncertainties, and in turn, the Company delivered

a healthy performance in growth and profitability during the year.

## **Years of serving consumers**

We are proud to have completed so many years of our operations and of serving our loyal consumers. Over these years, our purpose has been to offer the best quality snacks catering the tastes and flavours of India. Having started in the city of Indore in the year 2003, we now sell an average of 11 million packets daily in over 125 SKUs.

Today, we are one of the largest snacks companies with a pan-India presence, having become a household name to lakhs across the country and one of India's most successful snacks brands and the makers of one of India's most well-known indigenous brands Yellow Diamond.

In these 20 years, we have emerged as a formidable player in packaged snacks industry. We introduced exciting flavours that resonated with great taste, high quality, hygienically manufactured, and packed snacks that are affordably priced.

We have enjoyed exemplary success on the back of well-received products. We are currently the market leader in the Rings Category. Today, we are equipped with over 1,500 super distributors and more than 3,700 sub-distributors. Today, a majority of our snacks are targeted towards children and youth, and over the years, our brand has earned consumers' trust. We continued to launch and

introduce new products every year and kept experimenting with different taste and flavours. Today, our product portfolio comprises chips, namkeens, extruded snacks (shaped and random), and pellets. We have also ventured into the sweet snacks category and are happy to see our consumers share their positive responses to these products.

### How we performed

During the year under review, we reported a revenue of ₹ 1,39,662 lakhs, registering a growth of 19% year-on-year, despite a challenging macro environment. Profit After Tax stood at ₹ 1,691 lakhs (excluding exceptional item), with a margin of 1.2%. Operating EBITDA of ₹ 5,831 lakhs translated into a margin of 4.2%. The combined effect of raw material price inflation and supply chain disruption led to an adverse impact of 700 basis points on EBITDA for the full year.

Earnings per share was ₹ 7.21 (excluding exceptional item). The Board recommended a dividend of ₹ 0.50 per share, on a face value of ₹ 5.00 per share. We delivered encouraging volumes across product categories, assisted by an uptick in consumption across key geographies. This was owing to addition of new retail outlets to the distribution network and initiatives like tele-calling. The Avadh integration has been progressing well and we plan to take these products into the neighbouring states as well.

The effects of inflation were largely offset by the ongoing cost optimisation initiatives, gradual implementation of direct distribution model, grammage rationalisation, and higher price realisation. Our direct distribution model, supported by continuous process re-engineering and cost optimisation, positioned us well for an elevated margin profile.

We continued our operational efficiencies to yield substantial benefits. Our top line growth was driven by a renewed focus on customer connect through faster market replenishment, emphasis on

popular flavours, more relevant marketing schemes, and continued expansion of the distribution network.

### Unlocking possibilities

We continue to strengthen our manufacturing footprint and are taking steps to broaden our reach with strategic price points. Our goal is to also improve our existing distributors network and penetrate deeper into smaller towns. We are undertaking initiatives to grow our pan-India presence and distribution across 27 states and 4 union territories. Our motto of growing customer connect through popular flavours continues to be steady, and we are well-placed to further entrench our position as a strong national player with strong brand equity.

Furthermore, we intend to expand our Avadh business both within and outside Gujarat and take advantage of additional synergies for Yellow Diamond products on the Avadh platform. To boost growth in the near future, we plan to maintain our well-diversified strategy of improving our product mix and regional expansion. We also cross-sell high quality items at reasonable pricing to the 'value-conscious' consumer. In addition, we are experimenting with new strategies to expand our proportion of in-home

consumption, and have launched family packs in a variety of categories.

We also continue to leverage our 3P model across key geographies as it is cost-effective in nature. It enables rapid expansion without large capital outlay and facilitates quick roll-out in the market. This continues to be our key strategy to cement our position as a pan-India player and will expand our reach in untapped geographies in the near future.

### Thank you, stakeholders

I would like to thank the members of our Board for their constant support and wise counsel. I would also like to express my gratitude to our entire team, whose hard work and dedication have contributed to the company.

I would like to thank and express my appreciation for the abundant trust shown by our customers, consumers, shareholders and investors in our capabilities. With such backing, I am sure our commitment to deliver long-term value to the wider community will not be difficult to fulfil.

Warm Regards,

**ARVIND MEHTA**

Chairman and Executive Director



# MESSAGE FROM MD AND CEO



In this fiscal year, we worked on a strategy reset – moving from being a brand in impulse purchase category to planned purchase category. We have recalibrated our portfolio with variety of higher price point SKUs for home consumption.

## *Dear Shareholders,*

I trust you and your families are safe and doing well. I am writing to you at a time when the world has changed. The global pandemic and its disruptive changes have led to a paradigm shift in the way we live, work, connect, engage and collaborate with everyone, including our customers.

The COVID-19 impact on companies in the impulse category was higher, and at Prataap Snacks, most of our sales come from impulse purchases. We are slowly coming out of the COVID-19 impact. Our story in FY2022 is that of keen observation combined with agility to capitalise on opportunities.

### **Designing strategy reset**

Economic challenges and increasing market competition had a bearing on the demand environment pre-COVID. Demand and consumption were further affected due to the disruptions led by the COVID-19 pandemic as impulse purchases took a hard hit. Against this backdrop, in this fiscal year, we worked on a strategy reset – moving from being a brand in impulse purchase category to planned purchase category. We have recalibrated our portfolio with variety of higher price point SKUs for home consumption.

We are currently working on a full portfolio of products that will be sold in A&B class outlets. We have identified products to

go into these outlets with the launch of different variants and more SKUs (stock-keeping units) and increase in price points of these products.

Further, we have heightened emphasis on the Namkeen segment, which has been our biggest contributor for in-home consumption. A key highlight of the year has been our deeper and increasing penetration in the existing markets and the diverse range of products being sold at the existing outlets.

### **Weathering COVID-19**

In India, the snacking trend is evolving, as consumers further gravitate from the informal sector to formal sector based on the trust that packaged foods are much more hygienically manufactured and sold. Backed by this mega-trend, demand for both sweet and salty snacking is set to grow, and we are preparing for the same by expanding our distribution network across the country. Following the pandemic, there is greater emphasis on sanitisation and there is greater emphasis towards safe and hygienically packaged snacks. We intend to capitalise on increased customer awareness and preferences by expanding our presence, entering new markets, and reiterating our value proposition.

### **Ramping up distribution**

We are increasing our direct reach by appointing new distributors. We make

efficient use of our distribution network to expand our reach into the core regions in the North and West India, which are key markets for the industry and contribute to more than 70% of overall packaged savoury Snacks market. We are also expanding our footprint in the Southern markets, where we have relatively lower penetration. Further, we are expanding our presence deeper into our existing markets by appointing distributors at the Taluka level. We are leveraging technology and partnering with new-age platforms to expand our distribution and sales.

### **Focused on basics**

Our manufacturing facilities are equipped with technologically advanced machines to produce hygienic and quality snacks that are uniform and consistent in taste and texture across batches. Our localisation strategy continues to evolve with manufacturing plants being set up close to significant markets to enable faster replenishment of products at customer touchpoints. This strategy has also proven favourable as our distributed manufacturing infrastructure enabled us to resume our operations rapidly in the face of disruptions.

The Company's expansion plan has witnessed increased output through contracted 3P manufacturing facilities that have become an asset and provide us with the option to conserve capital without constraining our capacity. Our contract

manufacturing facilities and enhanced capacity of our Rajkot set-up of Avadh provide us with significant headroom to scale up our salty snacks business, even as we look to build the momentum in the sweet snack category.

### Key achievements

We received an approval under the PLI scheme of the government under the ready-to-eat segment. We have lined up a total investment of ₹ 105 crore under the scheme to strengthen our manufacturing footprint. Of this, ₹ 20 crore has already been invested, while the remaining ₹ 85 crore will be invested during FY2023. We are leveraging the opportunity from the PLI scheme to enhance our presence in the high-potential and under-penetrated markets. During the year, we exploited synergies for our Yellow Diamond products. Our ongoing cost optimisation programme helped us mitigate the severe commodity cost pressures.

### Our ESG priorities

We are constantly focussing on improving our ESG disclosures and are effectively demonstrating our ESG commitment to all the stakeholders. We are identifying ESG-related risks and our ESG policy framework serves as a guiding light for all our ESG activities. As an organisation, we aim to align our ESG approach with our strategic goals.

### In conclusion

The current environment, while challenging, we are undertaking steps to mitigate its impact on our business model and operations. Our prudent practices of reducing costs, improving operational processes, augmenting cash position and focus on increasing our revenues will help improve the operational margins over a period and enable us to weather the current situation.

We continue our motto to serve high-quality, tasty, affordable and safe snacks. Despite tough and unpredictable times, we are capable of delivering future growth when the environment turns

positive. We have been maintaining a healthy balance sheet, being aligned with our performance metrics and continue to drive growth and bring the choicest products to market and keep our consumers delighted.

In the future, we plan to leverage our understanding of value-conscious Indian buyers and will continue to offer them high-quality products at affordable price points with our pursuit of tweaking our products to local tastes and flavours. In addition, we are also recalibrating our offerings across larger and family-sized packs to capitalise on the shifting consumption trends in the post-COVID era.

We are working on new products in the existing sweet and salty snacks categories and will be launched in the near future. Further, our expansion plan includes expanding the sweet and salty snacks portfolio; the roll-out of pellet snacks across the country to replicate this category's success in Gujarat and enter new markets by leveraging lower distribution costs. We are steadily identifying and leveraging synergies between Yellow Diamond and Avadh brands in different markets and relentlessly expanding our sweet snacks portfolio.

### Promises to keep

We have been following two fundamentals for our success – the right taste and quality. This has led to increasing sales and good distribution muscle through our widespread network catering to retail outlets.

To conclude, we thank all the stakeholders for their unwavering support in these difficult times. As we scale up our operations and enter a new era, our endeavour to increase both, revenue and margins as also sustainable values, remain constant.

Going forward, we would focus on strengthening our capabilities, and relationships with customers to create long-term business opportunities. We would continue to be an organisation with innovative skills service and superior quality products, and in doing so create long-term value for all our stakeholders.

Once again, thank you for being part of our journey.

Stay safe all of you.

### AMIT KUMAT

Managing Director and  
Chief Executive Officer



# AN ESG STORY GRADUALLY UNFOLDING

ESG is an area of heightened focus for us and has changed our outlook towards our business. We are continually evaluating our operating environment and engaging with our stakeholders to identify and respond to material ESG issues.

At Prataap Snacks, we are working to improve our ESG disclosures and to effectively demonstrate our ESG commitment to the stakeholders. Our ESG team comprises members across different functions and helps in identifying ESG-related risks and its impact on the Company.

Our ESG policy framework serves as a guiding document for all the ESG initiatives and activities undertaken by the Company.

## Key ESG Initiatives



### CLIMATE CHANGE

#### Energy and Emissions

In our strategy to combat climate change and transition to a low carbon economy, our aim is to reduce carbon footprint and reducing our energy consumption. Our initiatives are aimed at:

- Adopting solar energy in factories
- Incorporating energy efficient building designs
- Increasing the use of non-fossil fuels at manufacturing facilities
- Implementing automated energy management solutions
- Implementing energy efficient devices

To utilise

**25%** of total power consumption from Solar

Energy and other non-conventional energy by March 2024

#### Water

We are conscious of water consumption in our operations. Our newly-installed Effluent Treatment Plant (ETP) and Reverse Osmosis unit at Indore plant will help to recycle the used water from production units, which can be reused again in production. Our thrust to reduce and reuse water will reduce our overall water consumption. We also aim to minimise our freshwater requirements through our rainwater harvesting initiative.

To reduce freshwater consumption by

**20%** at Indore plant

by March 2024

#### Waste Management

We remain committed towards effective disposal of packaging material, which is a 4-layer single-use packaging laminate. To achieve this, we are actively working in accordance with Uniform Framework for Extended Producers Responsibility (EPR) issued by the Ministry of Environment, Forest, and Climate Change. In partnership with accredited NGOs in several states, we engage in mass collection, processing, and disposal of empty packets, according to the guidelines issued by EPR. We are also committed to support our suppliers for development of recyclable packaging laminate.



## PROCUREMENT PRACTICES

At Prataap Snacks, we recognise the need to work closely with our suppliers and vendors. We encourage them to reduce waste, improve efficiency, and minimise carbon footprint. We also engage with them to understand their commitment towards human rights and labour practices.

We aim to procure products which are:

- Locally sourced
- More environment-friendly
- Energy efficient



## EMPLOYMENT PRACTICES

### Employee well-being

We are committed to continue taking steps to promote a safe and conducive work environment for our employees. We strive to guide our employees on occupational health and safety, appropriate healthcare benefits and medical cover.

### Employee ethics

We have mechanisms in place to deal with issues related to inhumane treatment including mental or physical coercion or verbal abuse, sexual harassment, sexual abuse, and slavery of employees. This is guided by the Code of Conduct, an internal document available to all the employees. The document continues to promote a culture of good integrity and ethics amongst our employees.



## CUSTOMERS

Product quality and distribution efficiency is vital for business growth. We seek to achieve this through good quality checks and controls and by regularly reviewing our distribution efficiency levels and capturing the required feedback from our customers. Our endeavour is to procure products responsibly by embedding sustainable practices and bringing joy to our customers.



## GOOD GOVERNANCE

Maintaining the highest ethical standards of integrity, corporate governance and regulatory compliance form the bedrock of our corporate governance policy. We proactively uphold good governance practices and constantly focussing on enhancing our standards. Our Board sets the course for and evaluates the Company's performance with regards to corporate governance. The key parameters of this evaluation include compliance, internal control, risk management, ethical conduct of the Board, senior management and the employees, as well as timely and accurate disclosure of material information to all our stakeholders.





# EVOLVING OUR CSR STRATEGY

Our aim is to actively contribute to the social and economic development and evolving a sustainable society with a well-structured CSR policy in place. The policy articulates positive contribution towards communities' economic, environmental, and social well-being through our CSR-related activities.

Despite the pandemic-related challenges during the year, we successfully pivoted our in-person CSR activities and assisted the communities in having a better living. We are helping transform the lives of people and contributing towards the economic and social development by empowering the communities we operate within.

Guided by the Board-governed Corporate Social Responsibility (CSR) policy, Prataap Snacks continues to create value for the marginalised communities. Our well-structured CSR programs and initiatives focus on promoting education, enhancing vocation skills, livelihood enhancement projects, protecting environment, health care including preventive health care and animal welfare.

**₹93 Lakhs**  
 Total CSR spent  
 for FY 2021-22





### Key CSR Initiatives in FY2022

Distribution of our products to inhabitants in COVID-19 pandemic impacted areas

Health camps and capacity building and skill development sessions for waste collectors

Plantation drive

Improving livelihoods and contributing in the education of imprisoned women's children

Distribution of nutritious milk to the elderly, disabled, poor and destitute people

COVID-19 vaccination camp for the under-privileged

Health check-up camp

Clinical infrastructure for COVID Healthcare Centre



# OUR BOARD OF DIRECTORS



**MR. ARVIND MEHTA**

*Chairman and Executive Director*

Over 33 years of experience in real estate business along with over 19 years in the snacks food industry and financing business.



**MR. AMIT KUMAR**

*Managing Director and Chief Executive Officer*

Over 26 years of experience in the snacks food industry.



**MR. APOORVA KUMAR**

*Executive Director (Operations)*

Over 26 years of experience in the snacks food industry.



**MR. G.V. RAVISHANKAR**

*Non-Executive Nominee Director*

MD (Sequoia Capital)  
Over 21 years of experience in management consultancy & PE investments. Previously worked with McKinsey & Co. and Wipro Technologies.



**MR. V.T. BHARADWAJ**

*Independent Director*

General Partner (A91 Partners)  
Over 21 years of experience in management consultancy & PE investments. Previously worked with Sequoia Capital and McKinsey & Co.



**MRS. ANISHA MOTWANI**

*Independent Director*

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



**MR. VINEET KUMAR KAPILA**

*Independent Director*

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



**MR. CHETAN KUMAR MATHUR**

*Independent Director*

Ex CFO (Frito-Lay India). Over 30 years of experience in FMCG industry. Worked with PepsiCo for 23 years.



**MR. BHARAT SINGH**

*(Alternate Director for Mr. G.V. Ravishankar)  
Non-Executive Nominee Director*

Operating Partner (Sequoia Capital)  
Over 22 years of experience in finance and business management. Previously worked as CFO with redBus.

# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

**Mr. Arvind Mehta**  
*Chairman and Executive Director*

**Mr. Amit Kumar**  
*Managing Director and Chief Executive Officer*

**Mr. Apoorva Kumar**  
*Executive Director (Operations)*

### Non-Executive Nominee Director

**Mr. G.V. Ravishankar**  
**Mr. Bharat Singh**  
*(Alternate Director for Mr. G.V. Ravishankar)*

### Independent Directors

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

### Chief Financial Officer

**Mr. Sumit Sharma**

### Company Secretary and Compliance Officer

**Mr. Om Prakash Pandey**

## Auditors

### Statutory Auditor

**BSR & Co. LLP**  
*Chartered Accountants*

### Secretarial Auditor

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

### Internal Auditor

**Grant Thornton Bharat LLP**

## Committees

### Audit Committee

**Mr. Chetan Kumar Mathur**  
*Chairman*

**Mr. Vineet Kumar Kapila**

**Mrs. Anisha Motwani**

**Mr. G.V. Ravishankar**

**Mr. Bharat Singh**  
*(Alternate Director for Mr. G.V. Ravishankar)*

### Nomination and Remuneration Committee

**Mr. V.T. Bharadwaj**  
*Chairman*

**Mr. Vineet Kumar Kapila**

**Mr. Chetan Kumar Mathur**

**Mr. Arvind Mehta**

### Corporate Social Responsibility Committee

**Mrs. Anisha Motwani**  
*Chairperson*

**Mr. Arvind Mehta**

**Mr. Amit Kumar**

**Mr. V.T. Bharadwaj**

### Stakeholders Relationship Committee

**Mr. V.T. Bharadwaj**  
*Chairman*

**Mr. Arvind Mehta**

**Mr. Amit Kumar**

**Mr. Vineet Kumar Kapila**

### Risk Management Committee

**Mr. Chetan Kumar Mathur**  
*Chairman*

**Mrs. Anisha Motwani**

**Mr. Amit Kumar**

**Mr. G.V. Ravishankar**

**Mr. Bharat Singh**  
*(Alternate Director for Mr. G.V. Ravishankar)*

## Bankers

ICICI Bank

Kotak Mahindra Bank

Citibank N.A.

Axis Bank

## Registered Office

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

## Share Transfer Agent

**KFin Technologies Limited**  
(formerly known as KFin Technologies Private Limited)  
Selenium Building,  
Tower - B, Plot No. 31 & 32,  
Financial District,  
Nanakramguda,  
Serilingampally,  
Hyderabad - 500032,  
Telangana, India  
Toll Free No.: 18003454001  
Tel.: (91 40) 67162222,  
79611000  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

## Plant Locations

### Owned Plants

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

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

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

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

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

\*Plot No. 5511, 5512 and 5513,  
Mouza - New Kolorah,  
Police Station - Domjur,  
Howrah - 711302, West Bengal

\*Not in operation due to fire  
accident on 3<sup>rd</sup> November, 2021

### Third-Party Plants

Industrial Area, Vasanthnarsapur  
Kora Hobli No. 26 B,  
Tumkur - 572138, Karnataka

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

Chakundi Dankuni,  
Hooghly - 712310, West Bengal

Plot No. 3-4, Sugan Vihar, Delhi  
Road, Hisar - 125001, Haryana

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

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

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

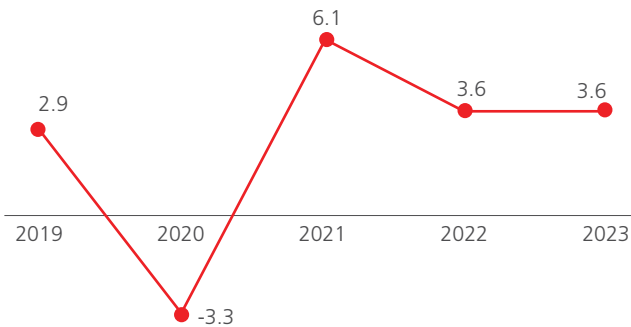
# Management Discussion and Analysis

## ECONOMIC SCENARIO

### Global Economy

Consumer demand in 2021 remained weak due to the persistent challenges posed by the pandemic, including continued uncertainty, supply chain disruptions and the stop-start economic activity. However, a push towards growth has been supported by more rapid recovery from subsequent waves, improved health protocols and vaccination programs' rising coverage across various countries. Pandemic-related obstructions to transportation and staffing have led to a reversal of just-in-time logistics and lean inventory management practices. While the global economy was on a recovery path at the start of 2022, the Russia-Ukraine conflict, and frequent and wider-ranging lockdowns in China, including in key manufacturing hubs, have dampened economic activity globally and could cause new bottlenecks in global supply chains. These have resulted in worldwide inflation driven by war-induced commodity price increases and supply chain disruptions. According to the IMF, global growth is expected to slow from 6.1% in 2021 to 3.6% in 2022 and 2023, respectively. Price pressures that were higher, broader and more persistent forced several governments to tighten monetary policy. Overall economic risks have risen considerably, making policy trade-offs more complicated.

### World Economic Outlook (%)



Source: IMF Report April 2022

### Indian Economy

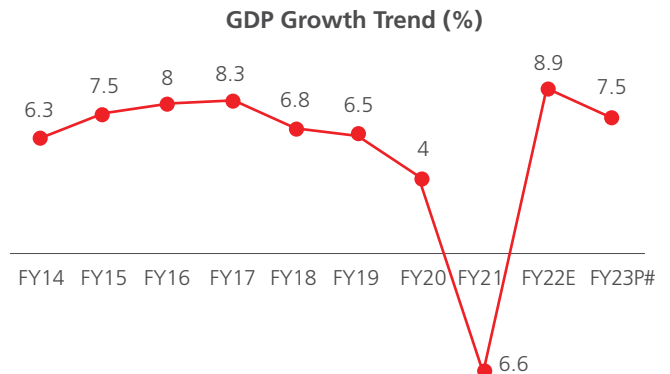
India has emerged as the world's fastest-growing major economy and it is expected to be one of the top three economic powers in the near term, due to its strong democracy and strategic partnerships. Despite well-crafted fiscal and monetary policy support, the COVID-19 pandemic caused India's economy to decline by 6.6% in FY21. Following the second wave, growth in FY22 is likely to be about 8.8% keeping India among the world's fastest-growing economies. Labour reforms that are implemented successfully will increase medium-term growth, while weakening household and corporate balance sheets may constrain it. With the return of consumer confidence, improving

business conditions across the manufacturing sector, robust financial markets, strengthening demand and improved market circumstances, India's economy is showing clear signs of a 'V-shaped' rebound by growing by 8.9% in FY22, as per the NSO Second Advance Estimates as on 28<sup>th</sup> February, 2022.

The Prime Minister Gati Shakti – National Master Plan was unveiled in October 2021, to break down departmental barriers and introduce more holistic and integrated project planning, superior execution and to address multi-modal and last-mile connectivity concerns. The Government of India spent ₹ 2.50 lakh crore on direct capital spending in 2013-14, which has increased to ₹ 7.5 lakh crore in 2022-23 as a result of the PM Gati Shakti Plan. According to the Ministry of Finance, Net Direct Tax collections for Fiscal Year 2021-22 is ₹ 13.63 lakh crore, a 48.4% increase over the previous year. Also, the gross GST collection of ₹ 1.68 lakh crore in April 2022 is an all-time record, surpassing the previous month's collection of ₹ 1.42 lakh crore. Moreover, India has inked important free trade deals with Australia and UAE, which will be implemented over the next few years. MOFPI (Ministry of Food Processing Industries) has also rolled out the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) to support the creation of global food manufacturing champions commensurate with India's natural resource endowment and to support Indian brands of food products in international markets with a ₹ 10,900 crore outlay.

The Reserve Bank of India estimated headline Consumer Price Index (CPI) inflation at 5.4% in FY22 and 4.5% in FY23 (new base 2012=100). The uptick was significant mostly due to a significant increase in food prices and partially due to a significant increase in energy prices. In the backdrop of rising inflation which surged to 6.95% in March 2022, the RBI commenced monetary tightening by increasing the policy repo rate by 40 basis points to 4.40% in May 2022.

### Indian Economic Outlook (%)



Source: NSO Second Advance Estimates as on 28<sup>th</sup> February, 2022 #SPF report by RBI dated 8<sup>th</sup> April, 2022)

Gains from supply-side reforms and regulatory ease, continuing export growth, and the availability of budgetary space to ramp up capital spending will all contribute to growth in FY23. According to the RBI survey report, the growth rate is likely to decline to 7.5% in FY23. The year ahead is expected to see an increase in private sector investment, with the financial system in strong shape to support the economy's recovery.

## Outlook

India's core economic fundamentals remain solid, and the current turmoil is not expected to impact the long-term prospects significantly. The effects of growth-enhancing policies and schemes (such as production-linked incentives and the government's push toward self-reliance) and increased infrastructure spending will begin to take effect, resulting in a stronger multiplier effect on jobs and income, higher productivity and increased efficiency, all of which will lead to faster economic growth. In addition, India's focus on manufacturing, numerous government incentives such as lower taxes and increased services exports as a result of a greater digitisation and technology transformation drive around the world would all contribute to growth. In addition, various geopolitical spillover effects could boost India's standing as a desirable alternative investment location. For example, global in-house centres and multinationals may prefer India to Eastern European markets (particularly those bordering Ukraine) when relocating or establishing new operations. In terms of health, a large vaccinated population will most likely help to contain the impact of any subsequent infection waves.

In January 2022, the Confederation of Indian Industry mentioned in its Rural Business Confidence Index developed in partnership with CRIF High Mark that the rural business confidence index for October 2021 stood at 63.9, owing to increased rural credit, which led to industry being optimistic and upbeat on rural economy sentiment. The Index also shows that, despite the pandemic, disbursement of retail loans in rural India increased by 23% in value (from ₹ 10.10 lakh crore in FY19 to ₹ 12.45 lakh crore in FY21) and 30% in volume during the last three years from FY19 to FY21 (from 506 lakh in FY19 to 661 lakh in FY21). Government has been spending considerably towards the development of the rural economy. The Department of Rural Development has been granted ₹ 1.36 trillion under FY 2022-23 Budget, with the goal of enhancing livelihood opportunities, providing social safety nets, and building infrastructure for growth.

India's economy is based on domestic consumption and has a favourable demographic composition. Customer demand increased in various industries as consumer preferences shifted toward high-quality goods at reasonable rates. Across all economic levels, the majority of customers in the country are searching for value. This will result in an increase in overall consumption across all industries. With the country's opening up in the post-COVID-19 period, this spike in demand will have a significant impact on consumption habits. According to a Boston

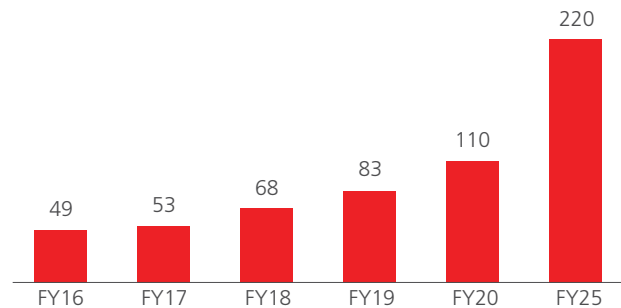
Consulting Group (BCG) estimate, India will be the world's third largest consumer economy by 2025, with consumption anticipated to triple to USD 4 trillion due to changes in consumer behaviour and spending patterns. According to a forecast by PricewaterhouseCoopers, it is expected to surpass the United States as the world's second largest economy in terms of purchasing power parity (PPP) by 2040.

## INDUSTRY OVERVIEW

### The FMCG Industry

To the rest of the world, India is the most alluring fast-moving consumer goods (FMCG) market. India's FMCG business has evolved over time, although it remains highly fragmented. In 2020, India's FMCG market was estimated to be worth USD 110 billion and is predicted to reach USD 220 billion by 2025.

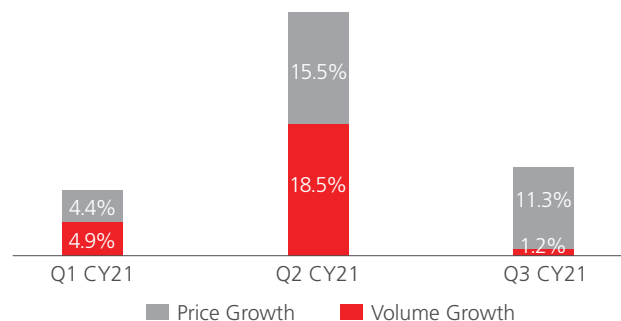
### Market size of FMCG in India (in USD billions)



Source: Statista October 2021

The biggest drivers in the growth of India's FMCG industry are the growing youth segment and working women population, rising incomes and purchasing power, higher brand consciousness, changing consumer preferences, growing urbanisation, increase in the number of upper middle class, and rising internet penetration. Rapid real estate infrastructure development, easy credit, increasing efficiency due to supply chain expansion, and rising investor interest are all aiding the FMCG sector's growth in India. According to NielsenIQ, India's FMCG industry expanded 12.6% in the 3QCY21 compared to the same period previous year, owing to higher prices and more urban consumption. Volume increase, on the other hand, was 1.2% for the quarter.

### FMCG Price Volume Trend



Source: Nielsen January 2022 Report

The FMCG business has accelerated the launch of innovative goods to spur development due to disruptions like GST and demonetisation. The industry as a whole expanded into new categories and widened their product ranges. The COVID-19 also saw an accelerated focus on health, hygiene and wellness which has increased brand consciousness among the consumers.

Higher input cost in terms of raw materials have compelled manufacturers to increase prices. About 14% of small manufacturers exited the market in Q3 CY21. In September 2021, large enterprises accounted for 76% of the industry's entire value increase, small businesses for only 2%, and mid-sized firms for the rest of the value chain. The loosening of mobility constraints has prepared the path for brick-and-mortar establishments to resurface. In Q3 CY21, modern trade outlets grew by 17%, more than double their increase from Q2 CY21 as per the NielsenIQ report.

#### Present Scenario in FMCG Sector in India

- Retail industry turned digital:** One of the main drivers of retail sales is the integration of payments and doorstep delivery, which saw a jump in demand during the pandemic. Retailers and customers swiftly adopted digital payments and integrated them into numerous online platforms. FMCG companies have built stores directly online due to the network's rapidly growing user base and retail partners. The ease with which private label firms were able to offer products digitally or through social media allowed them to quickly gain a significant market share. Aside from traditional brick-and-mortar stores, e-commerce is the next big thing in India, and it's about to grow further.
- Marketing through communities:** The FMCG industry is evolving through referrals and word-of-mouth sales, just like other industries. According to research and industry surveys, about 57% of customers purchase a product based on recommendation from someone they know and trust. In the past year, building a community through brand ambassadors and targeting sales through that channel has helped private and well-known FMCG firms achieve visibility and higher sales.
- Government's push to boost rural consumption:** Increased government spending on infrastructure, mobility, and connectivity will aid in the growth of rural earnings. The seven infrastructure engines would be covered by the PM Gati Shakti National Master Plan: roads, railroads, airports, ports, mass transportation, waterways, and logistics infrastructure. Railways will develop innovative goods and efficient logistics services for small farmers and SME's, as well as leading the integration of postal and railway networks to provide seamless package moving solutions. In addition, the Aspirational Districts Program, which aims to improve the quality of life of inhabitants in

the most backward districts, and the Vibrant Communities Program, which aims to promote border villages, will aid product and service penetration in the rural hinterland.

Government incentives and FDI money have aided the FMCG sector in strengthening employment, establishing a more stable supply chain, and capturing high visibility for FMCG brands throughout established retail marketplaces, reinforcing consumer spending and spurring more product releases.

- Rising demand for packaged foods:** The increase in the spending capacity of middle income group and the rapid expansion of organised retail would further facilitate the growth of the industry. The pandemic has accelerated the adoption of packaged offerings and shift from the unorganised sector. In India, packaged foods are gaining high traction, owing to busy work schedules, rising number of working women, and shift toward on-the-go consumption, which is, in turn, expected to fuel demand for packaged foods.

#### Indian Packaged Food Industry Overview

The consumption of packaged food is growing in India due to hygienic factors, easy availability, numerous choices, and a rise in its citizens' personal disposable income. There has been a noteworthy change in the eating habit in Metropolitan Cities. Due to the fast-paced life in urban cities, about 79% of the urban people prefer to have ready-to-eat food in their regular meal. The reasons behind the increase in the use of packaged food in urban cities are the steep rise in income, the standard of living and convenience. The main packaged food includes a bakery and dairy products, canned and frozen processed food, ready-to-eat meals, diet snacks, processed meat, health products and drinks. Specific consumer demand, such as for plant-based foods, vegan foods, dairy-free products, and others, is also driving the expansion of the market, as it presents an opportunity for market participants to extend their product portfolios to meet all of these specific needs.

Overall, the packaged food industry worldwide is predicted to expand at a CAGR of 7.43% from 2021 till 2026 according to report by Mordor Intelligence. Moreover, in India 65% of the total Indian population lives in the rural region. They are attracted to food products of urban cities and are more inclined towards packaged chocolates, biscuits, chips, cakes etc. The buying capacity of rural households has also increased in recent years due to benefits from investment in infrastructure and rising wages. E-commerce has the ability to play a central role in the retail industry as a whole. With technology and infrastructure now gaining traction, particularly in packaged food will help to narrow the last-mile delivery gap in semi-urban and rural areas, hence fostering growth.

## Key Drivers of Packaged Food Industry in India

In March 2022, the Government has approved a PLI scheme for the food processing sector. Government will grant companies incentives totalling ₹ 10,900 crore based on their investments and sales under the PLI scheme. The programme will assist in speeding domestic growth, aid in the creation of jobs, expedite the transition from unbranded to packaged foods, and stimulate exports. The provision is for a period of six years and includes incentives for several categories of processed foods. The food processing industry's PLI programme contains three major components. The first is encouraging the production of ready-to-cook/ready-to-eat food, processed fruits and vegetables, marine foods, and mozzarella cheeses. In addition, the strategy incentivises organic products of small and medium-sized businesses and supports branding and marketing in international markets to expedite the global growth of strong Indian brands. The implementation of the scheme would facilitate expansion of processing capacity to generate processed food output of ₹ 33,494 crore and create employment for nearly 2.5 lakh persons by the year 2026-27.

### Other drivers

#### a) Shifting retail landscape

India's retail landscape is rapidly evolving as technology continues to influence consumer behaviour. The fast-evolving shoppers of today move seamlessly between online and offline channels, seeking convenience, value, and premiumisation across categories. Rise of new channels such as social commerce, where people shop through social media platforms, and quick commerce, where people expect to receive their orders faster are gaining significant traction.

#### b) Preference for healthier options

With the rise in lifestyle disorders, consumers are turning to healthy and nutritional snacking options. The demand for responsible and ethical food processing has also increased as a result of changing patterns and trends. Industry players are looking to expand their offerings by introducing healthier snacks in different flavours.

#### c) Growing concerns around safety and hygiene

Hygiene and safety is extremely crucial in packaged foods industry to maintain the well-being and health of consumers. Particularly, in the post-pandemic world, demand and importance of food safety and quality and application of hygienic practices have increased in food processing and packaging.

#### d) Rising disposable incomes

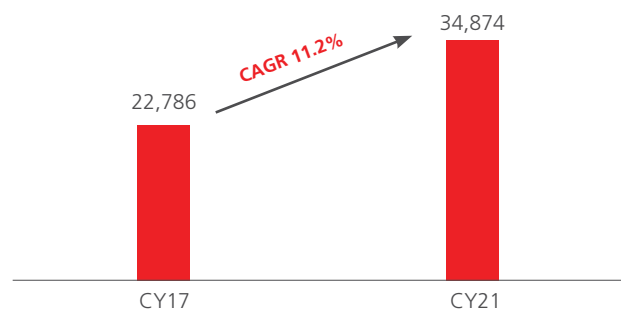
Rising disposable incomes and higher spending propensity have increased people's need for comfort and convenience. As a result of their fast-paced lifestyles, demand for ready-to-eat, on-the-go snacks is expected to increase.

## Snacks Food Market

The snacks industry of India is the most promising and booming segment of the FMCG category. Consumers always prefer tasty and quality options in the food market. In addition, manufacturers in the market have been introducing novel flavour profiles, ingredients, forms, and packaging in order to attract customers. Besides, snacks are more popular with the younger generation, and India has one of the world's highest numbers of the younger population. The market for snacks food is driven by the rising demand for convenient food products and on-the-go snacking trend. In Indian culture, it has long been customary to snacks in between meals. Furthermore, the COVID-19 forced lockdown has multiplied the snacking habit and is propelling the industry's expansion. This pattern appears to be continuing in the Indian market.

Traditionally, each sort of snacks has been quite region-specific; as a result, numerous small businesses cater to this industry. These companies have a small product selection, usually limited to a single category, and often exclusively sell traditional snacks. Over the last few years, the organised segment has been increasing its position in the market with new product launches and product advancements aimed primarily at urban and rural consumers. Consequently, the organised Indian snacks food market has increased from ~₹ 22,786 crore in CY17 to ~₹ 34,874 crore in CY21, representing a CAGR of 11.2% over CY17 to CY21.

### Total Snacks Foods Organised Market (in ₹ Crore)

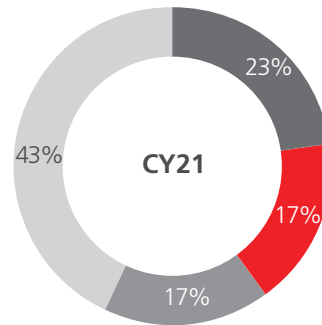
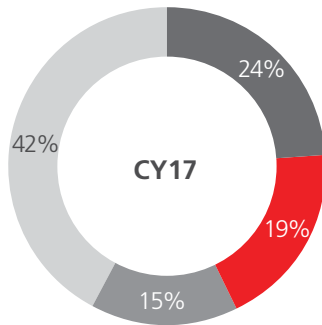


Source: Nielsen

Products such as Extruded Snacks, Chips, Namkeen are famous among different consumer's base, age group, and income group. India has different types of traditions, culture and food; that's why snacks tastes differ from region to region in India. For example, in western India, states like Gujarat and Maharashtra, snacks like Fafda, Khakhra, Dhokla, Bhelpuri are popular. Similarly, banana chips are being loved in southern India. In the central India, Sev and northern India Bhujia is popular. The organised snacks food market is categorised into Potato Chips, Extruded Snacks, Bridge (Random Extrusion+Gathia/Papri) and Namkeen which accounted for 23%, 17%, 17% and 43% respectively in CY21.



**Organised Snacks Food Market – Product-wise**



- Potato Chips
- Extruded Snacks
- Bridge (Random Extrusion+Gathia/Papri)
- Namkeen

- Potato Chips
- Extruded Snacks
- Bridge (Random Extrusion+Gathia/Papri)
- Namkeen

Source: Nielsen

The disruption caused by the COVID-19 pandemic resulted in various bottlenecks along the industry's value chain. In addition, consumers who spent more time working and studying at home boosted their consumption of savoury snacks, hence increasing the overall demand. As demand increased and brick-and-mortar retailers were unable to meet it, consumers changed their purchasing preferences to internet stores. Consequently, the manufacturers of savoury snacks took use of such chances to optimise their operations and product availability in stores to meet the rising demand.

The market for savoury snacks is driven by the rising demand for convenient food products and on-the-go snacking trend. In addition, manufacturers on the market have been introducing novel flavour profiles, ingredients, forms, and packaging in order to attract customers. According to Statista.com, the market for savoury snacks in India was worth roughly USD 5.57 billion in 2020, which comprises nuts, seeds, potato chips, and meat snacks, exhibited an upward trend in 2019 and is anticipated to reach almost USD 13 billion by 2026.

**Sweet snacks market:**

In Indian households, sweets are a very traditional and popular cultural feature. Traditional Indian sweets come in an almost limitless variety of fruits, dairy, legumes, and grains, as well as various combinations of these ingredients. Traditional milk-based sweets and open mithais are being replaced by with variety of cakes and sweet chocolate rolls and confectionery products prepared by organised bakeries and promoted by a new-age confectioner in the sweet snacks industry. Sweet snacks, the combined sales of confectionery, cakes, ice cream, sweet biscuits and pastries, is a highly versatile category within packaged food, with relatively higher product margins. The market potential for sweet snacks is huge in India, wherein, consumer demand is

increasing for packaged products, as a result of the influence of Western culture and also for its convenience.

COVID-19 enhanced the demand for packaged cakes. Bakery items have traditionally been basic dietary products for human sustenance. The convenience, accessibility, and nutrition profile associated with them are the major factors of their sustenance. In the modern market the consumption of sweet snacks is gaining market traction, owing to consumers' changing perceptions, as well as their convenience. As per statista report, during FY20, India produced about 632,000 metric tonnes of biscuits and cookies. Since FY15, the production volume has increased exponentially over the years.

Sweet snacks are a solution to many of the needs of modern consumers, whether in between meals or as a replacement. Growing urbanisation, more single families, rising middle-class spending power, busier lifestyles, and millennials' consumption capacity are all contributing to the industry's rise.

**COMPANY OVERVIEW**

Prataap Snacks Limited (hereafter referred as PSL / the Company/ Prataap) is a prominent snacks food manufacturer in India. Under the popular and vivid "Yellow Diamond" and "Avadh" brands, it offers various products in the categories of Potato Chips, Extruded Snacks, Pellets and Namkeen (traditional Indian snacks). It has also introduced a line of sweet snacks under the "Rich Feast" brand. PSL is dedicated on providing consumers with differentiated value through a range of pack sizes at affordable prices. Its products are sold in 27 Indian states and 4 union territories, and it is one of the fastest-growing snacks firms in the country. Avadh is one of the leading brands and fourth-largest snacks brands in the state of Gujarat, with a wide range of namkeen and fryums to choose from. Over the years, 'Yellow

Diamond' has become a well-known and recognised brand in India's highly competitive snacks market, led and empowered by a very competent management team.

PSL is headquartered in Indore, India, and manages 14 manufacturing facilities, including 7 owned facilities (Indore 1&2, Assam 1&2, Bengaluru, Rajkot, and Kolkata) and 7 contract manufacturing facilities (Kolkata, Bengaluru, Tumkur, Kanpur, Karnal, Patna and Hissar). It has a distribution network that includes over 1,500 super distributors and over 3,700 sub-distributors, giving it a wide reach across the country at 2.18 million retail outlets. PSL has a significant presence in metro cities and urban clusters, as well as rural areas including Tier 2 and 3 cities and villages. Its products are sold in lanes and bylanes in its key markets by independent grocers and small retail establishments, and it is expanding its presence in supermarkets, hypermarkets, and modern trade outlets.

PSL is one of India's most popular packaged snacks food brands and a market leader in the Rings category. Moreover, the Company continues to expand its presence by increasing direct access, focussing on smaller towns and rural consumers, and improving cost and capital efficiencies. The Company has a pan-India presence, with items that appeal to metropolitan tastes as well as special tastes or preferences of other cultures and areas. Consumer preferences and tastes, as well as their needs, are known to the Company. PSL entered the sweet snacks market in FY18 under the Rich Feast brand through its

wholly-owned subsidiary Pure N Sure Food Bites Private Limited, which was later merged with the Company. The Company acquired Avadh Snacks Private Limited in FY19 to strengthen its position in Gujarat, India's most snacks-consuming state. PSL was able to diversify and strengthen its product line as a result of the acquisition.

### Product Portfolio

PSL's product line spans a wide range of categories, including traditional and western snacks. For its target consumers, the Company is continually launching new products, new flavours, and innovation in the market. The Company has more than 125 Stock Keeping Units (SKUs) and sells approximately 11 million packets every day. The Company's products range from ₹ 5 to ₹ 100 in terms of pack size and strategic pricing point. In FY22, the Company introduced Swiss Roll under the sweet snacks segment with two different flavours i.e. orange and chocolate flavour.

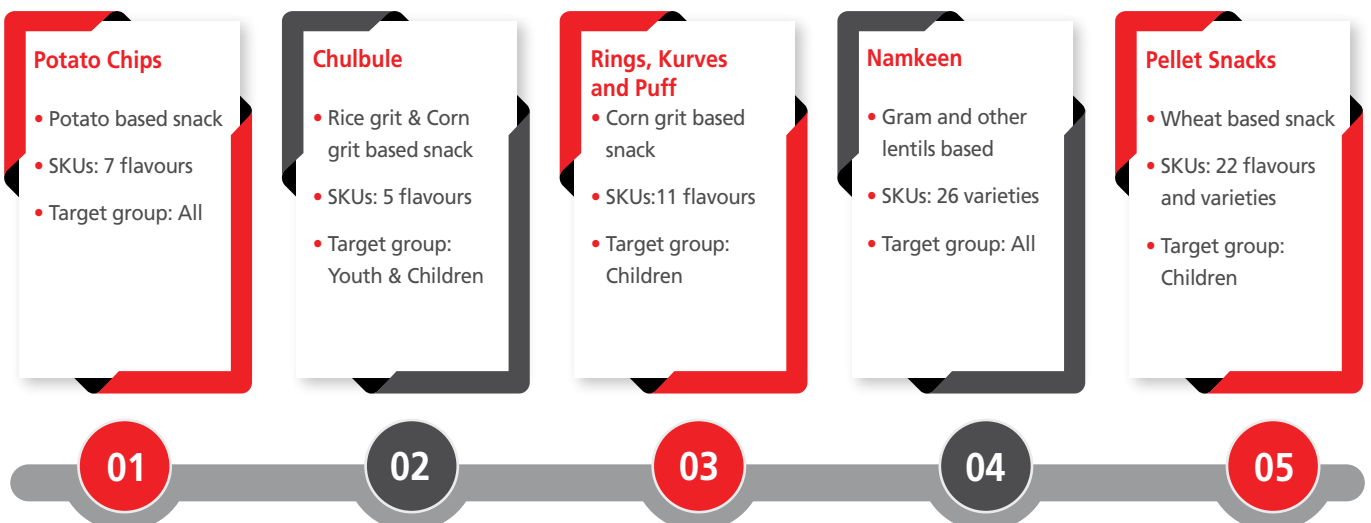
### PSL's product line is divided into three categories:



### Salty Snacks Portfolio

Potato Chips, Extruded Snacks (Chulbule, Rings, Puffs & Kurves), Namkeen, and Pellets are all part of PSL's Salty Snacks portfolio, which is marketed under the Yellow Diamond brand. The Company caters to a wide range of tastes in various items, taking into account local preferences. The Company has the most diversified portfolio with best quality, unique taste at very much affordable price points.

### Salty Snacks Portfolio – Yellow Diamond



### Sweet Snacks Portfolio – Rich Feast

With a line of cakes marketed under the Rich Feast brand, PSL entered a lesser penetrated Sweet Snacks segment in FY18. Cookie Cake (Chocolate and Vanilla flavours), Yum Cake, and Choco Vanilla Cake were all introduced in FY19. PSL announced three new sweet snacks products in FY20, namely Cup-cake, Tiffin-cake, and Sandwich-cake. The new sweet snacks products have got a positive response from customers. PSL's foray into the sweet snacks business is promising, as the sweet snacks market is still in its infancy, and the Company plans to use its current distribution network to cross-sell its products. In FY22, the Company introduced Swiss Roll with two different flavours i.e. orange and chocolate flavour.

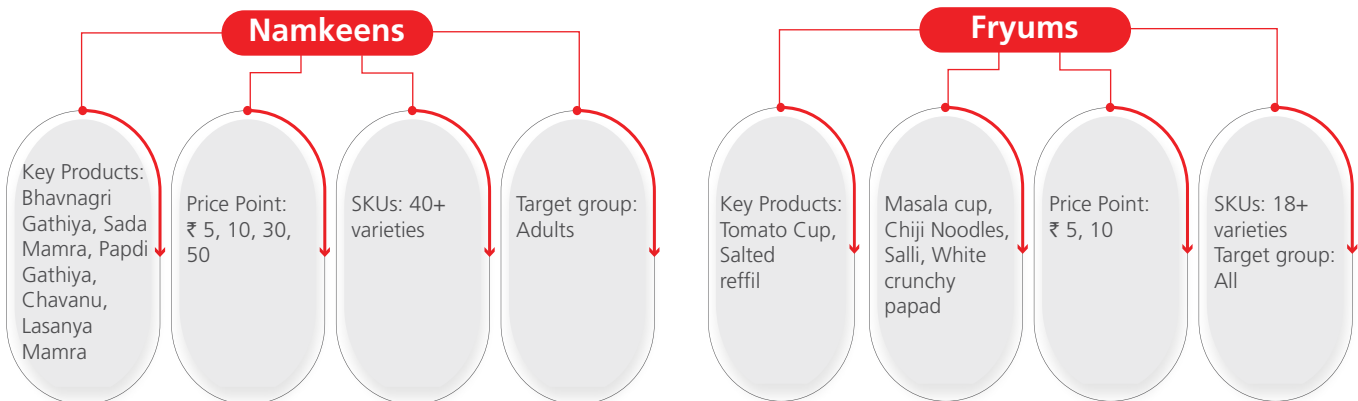
### Sweet Snacks Portfolio



**Target group – Youth & Children**

### Avadh Portfolio

PSL's existing salty snacks offering is supplemented with Avadh Snacks' vast product portfolio. Avadh is one of the leading players and the fourth-largest snacking brand in Gujarat. PSL added a strong local namkeen and fryums brand to its portfolio with the acquisition of Avadh in October 2018. PSL is expanding Avadh products in states of Madhya Pradesh, Maharashtra and Rajasthan.



### Key Pillars of Business Growth

- Distribution Expansion:** PSL presently serves 27 states and 4 union territories across India and has a reach of 2.18 million outlets. The Company has increased reach from 2.03 million outlets as on 31<sup>st</sup> March, 2021 to 2.18 million outlets as on 31<sup>st</sup> March, 2022 and continue to expand its distribution network and going deeper in the existing markets. The Company is increasing its direct reach by appointing new distributors. The Company makes efficient use of its distribution network to expand its reach into core regions in the North and West India, which are key markets for the industry and contribute to more than 70% of over all packaged savory Snacks market. The Company is also expanding its footprint in the Southern markets, where Company has relatively lower penetration.
- Optimisation of distribution structure:** PSL evolved with standard three-tier distribution channel model of super stockists, distributors, and retailers. Super stockists have been appointed to maintain and distribute inventory to distributors and dealers. From Q1FY22, the Company started adopting a two-tier distribution model in which it started eliminating super stockists and deal directly with distributors, who will then sell to retailers. This has been started with big markets and eventually rolled out completely by end of FY22 ahead of schedule. With this optimised distribution structure, PSL has over 1,500 super distributors and over 3,700 sub-distributors across 27 states and 4 union territories.
- Continuous Cost Optimisation Initiatives:** PSL has laid out a stringent cost optimization plan which enables the Company to manage the inflation in its key raw materials

and expand margin. These plans have been implemented for last several quarters and have enabled savings to mitigate the impact of inflation during the year. These initiatives have been undertaken across key functions like operations, logistics, sales and distribution. Some examples of such initiatives are direct distribution, resizing of packaging, change in recipe without affecting taste and quality, reduction of oil content. All of these initiatives, combined with higher price realisation and gramage rationalisation, have significantly reduced the impact of inflation. These structural changes will help in saving valuable margins once the volatility in raw material prices subsides.

- **Use of technology and digitalisation:** In recent years, technology in the food sector has been increasingly prominent. Recently, greater emphasis has been placed on sustainability, health, and freshness. The Company has already taken note and is significantly investing in technology for distribution. The Company has started implementing tele-calling with AI functionality for taking the orders from retailers. It brings more efficiency in ordering processes and helps in driving the revenue. Initially, PSL started this in selected markets and later on this technology has been successfully rolled out in other markets as well. The Company is also implementing Distribution Management System (DMS) and Sales Force Automation (SFA) to manage distribution in more efficient way.
- **Namkeen is a bigger opportunity:** Namkeen is the biggest category of salty snacks with 43% share in overall packaged salty snacks market. Further, Namkeen is the biggest category of the unorganised market, therefore it is a growth opportunity for the Company as consumers shift from unorganised to organised sector. The Namkeen category has increased tremendously in recent years, particularly during the pandemic, as a result of an increase in the number of people purchasing branded Namkeen rather than loose items from local stores due to hygiene concerns. Alternatively, the growth in branded or organised Namkeen is driven by consumers upgrading from the unbranded category and moving from Western to ethnic snacks. At present, ethnic Namkeen with wide and diverse range of products is the fastest growing opportunity in the Indian savoury snacks sector. The Company is re-building its namkeen portfolio as per market need and also launching family packs. Company is also targeting markets which are more namkeen centric.
- **Offering Value for Money products:** By offering innovative items at reasonable prices, PSL believe to have better understanding of local consumer interests and preferences. With prices ranging from ₹ 5 to ₹ 100, PSL's product assortment spans crucial price points and pack

sizes (over 125 SKUs). This allows the organisation to focus on India's vast bottom-of-the-pyramid population, which is gradually moving from unorganised to formal markets. Moreover, in sweet snacks category, the potential of premiumisation of the product portfolio remains substantial, which generate higher operating margins. PSL accomplishes this by extending its distribution presence for sales of rings, wheels, and sweet snacks that are popular with children. This also boosts the offtake growth rate per dealer.

- **Expanding the Avadh portfolio beyond Gujarat:** The acquisition of Avadh Snacks by the Company in 2018 strengthened the Company's presence in Gujarat. Gujarat is one of the biggest snacks markets in India, with the highest per capita consumption and Avadh Snacks is one of the leading brands and fourth-largest snacks brands in the state. In Gujarat, Avadh has a manufacturing facility in Rajkot and a well-established direct distribution network.

With products in the namkeen and fryums categories, Avadh's product line complements PSL's salty snacks portfolio. As a result of the partnership with Avadh, products with a mix of regional and national flavours and varieties are now being distributed across markets. The Company is now expanding the extensive Avadh product portfolio in neighbouring districts of Gujarat border and also other regions such as to Madhya Pradesh, Maharashtra and Rajasthan. It has already launched range of pellet-based snacks across markets, which have been well received. Pellet is a major contributor and is being sold pan India across the PSL's distribution network.

- **PLI Scheme assisted growth:** During the year, the Company received approval from the Government of India under the PLI scheme to expand in the 'Ready-to-Eat' food processing category. The Company benefits from the PLI Scheme's incentives. The investments will aid in the creation of value across the value chain as well as economies of scale. The PLI investment will also aid the Company's expansion into the north and east, utilising both its own manufacturing capacity and contract manufacturing. This expansion will also create capacity close to target markets. Following a progressive normalisation in the broader consumption environment, the Company continues to rebuild its development trajectory and has generated improved results. Improved volumes have surpassed pre-COVID-19 levels across most product categories, resulting in robust revenue growth of 19.3% YoY. The Company's investment commitment totals ₹ 105 crore, of which ₹ 15 crore has already been invested and the remainder will be invested between the Company and contract manufacturing partners before March 2023. This will help PSL to expand its capabilities and production base.

**OPPORTUNITIES AND THREATS**
**Opportunities**

- Growing Spending Power
- Rising Urbanisation
- Demographical Benefits
- Dynamic lifestyles and boosting brand recognition
- New product releases and innovation
- Unexplored Rural and Semi-Urban Areas
- To build Brand Equity

**Threats**

- Raw material price inflation
- Raw material availability and sourcing
- Tough competition from both organised and unorganised competitors
- Increasing health consciousness among people, leading in dietary changes
- Any adverse impact on brand image

**FINANCIAL REVIEW**

- The Group reported full-year consolidated revenue of ₹ 1,39,662 lakhs in FY 2022 as compared to ₹ 1,17,109 lakhs in FY 2021. In the backdrop of a challenging macro environment, the group reported revenue growth of 19.3%.
  - Delivered encouraging volumes across product categories assisted by an uptick in consumption across key geographies
  - Addition of new retail outlets to our distribution network coupled with enhanced reach of the existing distribution network on the back of initiatives like tele-calling have positively contributed to volumes
- Gross margins contracted by 220 basis points ('bps') to 25.8% in FY 2022
- Operating EBITDA in FY 2022 decreased by 120 bps to 4.2% translating ₹ 5,831 lakhs
  - Continued to witness a sharp rise in prices for key raw materials like palm oil and other commodities across the landscape
  - The combined effect of the raw material price inflation and supply chain disruptions led to an adverse impact of ~700 bps
  - The effects of inflation in inputs were largely offset by the ongoing cost optimisation initiatives, gradual implementation of the direct distribution model, grammage rationalisation and higher price realisation
- Profit before tax and exceptional item (PBT) increased by 4.3% from ₹ 1,107 lakhs in FY 2021 to ₹ 1,155 lakhs in FY 2022
- Finance Costs for the year stood at ₹ 672 lakhs in FY 2022 as compared to ₹ 627 lakhs in FY 2021
- Depreciation for FY 2022 amounted to ₹ 5,377 lakhs as compared to ₹ 5,457 lakhs recorded in FY 2021
- The Group has reassessed the useful life of the distribution network and has revised the estimated useful life to 18 years from the existing useful life of 20 years on the basis of management's assessment of future economic benefits. The effect of the said change is recognised prospectively w.e.f. 1<sup>st</sup> January, 2022. Consequent to this change, depreciation and amortisation expenses is higher and net profit before tax is lower by ₹ 27 lakhs for the year ended 31<sup>st</sup> March, 2022. Further, the basic and diluted earnings per share (not annualised) is lower by ₹ 0.12 for the year ended 31<sup>st</sup> March, 2022
- There was a fire accident in one of the Company's plants situated at Howrah, West Bengal, on 3<sup>rd</sup> November, 2021. The fire severely impacted the building, plant & machinery, leasehold improvements, and inventories lying at the plant; however, there were no human casualties. The total impact of this event is ₹ 1,394 lakhs. Considering the nature of the event and magnitude of impact, this amount is disclosed as an exceptional item in the statement of profit and loss for the year ended 31<sup>st</sup> March, 2022. Pending completion of the survey and acceptance of the claim by the insurance company, the insurance claim receivable has not been recorded in the statement of profit and loss for the year ended 31<sup>st</sup> March, 2022
- Tax expense in FY 2022 stood at ₹ (530) lakhs as compared to ₹ (308) lakhs in FY 2021
- Consequently, the net profit excluding exceptional item for the year stood at ₹ 1,691 increased by 19.4% from ₹ 1,416 lakhs in the last year
- The EPS excluding exceptional item post-dilution stood at ₹ 7.21 in FY 2022
- The Board recommended Dividend of ₹ 0.50 per share (Face Value - ₹ 5) for FY 2022
- Net Worth as on 31<sup>st</sup> March, 2022, stood at ₹ 62,425 lakhs as compared to ₹ 62,312 lakhs as on 31<sup>st</sup> March, 2021
- Free cash and bank balance net of short term borrowing stood at ₹ 6,898 lakhs

### Details of Significant Change in Key Financial Ratios

Ratios		FY22	FY21	Change	Remarks
Net Profit margin*	%	1.2	1.2	-	No Change
Operating Profit margin	%	4.2	5.4	(22.2%)	A sharp rise in prices for key raw materials like palm oil and other commodities have adversely impacted the operating profit margin
Debtor turnover	times	64.0	39.2	63.2%	A reduction in the average credit period offered to customers in the current year has resulted in the improvement of this ratio
Stock turnover	times	7.5	6.4	17.5%	Efficient utilisation of inventory has resulted in a better stock turnover ratio
Debt equity ratio	%	0.05	0.02	196.1	Increase in short-term unsecured borrowing from bank has resulted in increase in ratio
Current ratio	times	1.4	1.8	(23.3%)	A reduction in inventory and increase short-term unsecured borrowing from a bank has resulted in decrease in this ratio
Interest service coverage ratio	times	2.7	2.8	(3.6%)	No Significant Change
Return on Net worth*	%	2.7	2.3	19.2%	No Significant Change

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

### OUTLOOK

PSL is one of India's most well-known and fastest-growing packaged snacks food companies. The Company has broadened its product offerings and continues to focus on new innovative product launches aimed at consumers of all ages. PSL's savoury snacks portfolio continues to grow, both organically and inorganically. Simultaneously, the Company intends to expand its distribution and increase reach to drive revenue growth and optimise cost and product mix to improve the operating margin.

Furthermore, the Company intends to expand its Avadh business both within and outside Gujarat and take advantage of additional synergies for Yellow Diamond products on the Avadh platform. PSL's strategically located manufacturing locations across the country play an important role in meeting local demand.

The Company witnessed some disruptions on account of the restrictions imposed due to the third wave of the COVID-19 pandemic. Also closure of schools and transport channels have adversely impacted. However, restrictions are currently being eased in most states. PSL is well-positioned to grow with the focus on direct distribution and tele-calling assisting an increased and more efficient footprint, while cost-cutting activities contribute to the structural improvement in margins. The Company leverages its 3P model across its key geographies as it is cost-effective in nature and it enables rapid expansion without large capital outlay and facilitates quick roll out in the market. This continues to be a key strategy for the Company to cement its position as a pan India player and it will expand its reach in the untapped geographies in the near future. With a diverse product portfolio and a strong financial position, the Company is confident in its ability to provide long-term growth.

To boost growth in the near future, the Company will maintain its well-diversified strategy to improving product mix and regional expansion. From the ability to cross-sell high quality items at reasonable pricing to the 'value-conscious' consumer, PSL is experimenting with new strategies to expand its proportion of in-home consumption and has launched family packs in a variety of categories.

Some of the key benefits that augur well for PSL in further expanding into less penetrated areas and becoming a preferred national brand include innovation and distribution expansion, synergies from the integration of Avadh's business, Pan-India presence with strategically located owned and contract manufacturing facilities, brand positioning as a value-focused player, and deep understanding of consumer tastes. With the economy picking up steam and railways, schools, and other institutions opening up, the Company anticipates a surge in demand.

### HUMAN RESOURCES

Employees form the most valuable asset in the Company. Delivering business results requires a strong talent pool. The Company is focussed on identifying and grooming successors for critical jobs within and beyond the organisation. By keeping employees, the Company has built strong personnel management practices, development interventions, productivity improvement efforts, and reward mechanisms, allowing it to achieve organisational goals and major milestones. The team is a healthy mix of multi-generational, diverse, and dynamic professionals that are both experienced and eager to learn. The Company is continually working to improve employee abilities and offer them the edge they need to succeed in a changing industry and prepare for the future.

The industrial facilities are free of labour or workers' unions, and no work has been disrupted as a result of labour unrest to yet. Employee happiness, unwavering motivation, and a high retention rate are all benefits of HR policy. In addition to contract labour, the Company has a workforce of 1,049 employees as of 31<sup>st</sup> March, 2022.

PSL also offers an Employees Stock Appreciation Rights Plan (ESARP), which allows all permanent employees to become shareholders of the Company by granting them the opportunity to hold shares based on their eligibility. This guarantees that employees are involved in the Company's success.

### CORPORATE SOCIAL RESPONSIBILITY

PSL aspires to make a significant contribution to the social and economic development of a sustainable society. The Company has a CSR policy in place that articulates how its CSR activities contribute to the economic, environmental and social well-being of communities. PSL aspires to establish a reputation as a dependable, credible and responsible business partner by creating a sustainable impact in the communities where it operates.

During the year under review, the Company has delivered its products to inhabitants in COVID-19 pandemic impacted areas. PSL has arranged health camps and contributed in capacity building and skill development for waste collectors. The Company has promoted green projects with its plantation drive. The Company strives to contribute significantly to the social and economic development of the society by way of improving livelihood and contributing in education of imprisoned women's children and distribution of nutritious milk to the elderly, disabled, poor and destitute people. PSL distributed high-protein meal to pregnant women and anaemic children and provided medical support to underprivileged children suffering from cancer. The Company conducted COVID-19 vaccination camp for underprivileged people as well as health check-up camp and also contributed in the development of clinical infrastructure of COVID Healthcare centre.

### RISK AND MITIGATION

Risks and concerns are a natural element of any business environment that could have a significant influence on the Company's performance and prospects. Risk management is an important component of the Company's long-term strategy. The raw material cost has been increasing at a larger pace than before posing as a greater risk for the Company. The Company has implemented Enterprise Risk Management to manage risks while achieving its business objectives and goals by identifying risks, assessing risks, developing risk mitigation methods, and continuously monitoring risk containment duties.

The Company has identified a variety of multi-dimensional hazards that affect both the external environment and internal business operations and performance. Other risks that may emerge and become obvious in the future will be evaluated and identified by the Company.

- **Raw material cost inflation risk:** The Company's raw material basket is dominated by key raw materials such as potatoes, palm oil and packaging laminate. Any supply chain interruptions, raw material shortages, or price increases will have a substantial influence on costs, thereby affecting the Company's profit margins. Palm oil prices have been steadily rising in FY22 and remain extremely high, putting pressure on profits.

**Mitigation:** PSL has built long-term relationships with its suppliers over the years to ensure the continuous availability of raw materials. To reduce risk, the Company chooses long-term contracts for laminates and palm oil to the extent available. Furthermore, the Company has put in place cold storage facilities to buy material in bulk and is expanding its procurement locations to provide a consistent supply of potato throughout the year. When possible, it enters forward contracts to hedge against price volatility. Ongoing process re-engineering and cost-optimisation measures help to reduce the impact of rising palm oil prices on profitability.

- **Macro-economic risk:** The expansion of the Company's product portfolio is connected to overall economic growth. The main source of risk for the Company will be severe economic changes. Furthermore, due to the COVID-19 pandemic, changes in customer behaviour, purchasing patterns, and working environments may pose certain hurdles to the organisation.

**Mitigation:** PSL overcame the initial obstacles posed by COVID-19 and continues to actively monitor critical developments in order to minimise any negative impact on its operations and supply chain. Through a strong consumer focus, innovative marketing and distribution, and operational efficiency, the Company is working hard to reclaim its development path.

- **Competition risk:** The Company faces significant competition from both organised and unorganised market participants, including bigger established corporations and minor regional players, which could influence its overall growth and earnings trajectory.

**Mitigation:** PSL offers a diverse selection of products and is investing in a strong innovation pipeline to stay ahead of the competition. As a specialised player, the Company gets a thorough insight of consumer preferences and is ideally positioned to capitalise on this knowledge. PSL is well positioned for continued growth and expansion, thanks to its extensive distribution network, use of strategically located manufacturing facilities, diverse product portfolio, and expansion of Avadh's portfolio beyond Gujarat.

- **Risk concerns about using and replacing Packaging laminates:** The Company packages its products with a lot of single-use packaging laminate. Because such packaging laminates are non-recyclable, their disposal is a worry. The Company's future performance depends on reducing the quantity of single-use plastic it now uses and seeking ways to recycle its packaging material. Consumer reactions to the environmental impact of plastic waste, as well as emerging government regulation to tax or prohibit the use of certain plastics, make it necessary for the Company to find ways to reduce the amount of plastic it uses, evaluate post-consumer recycling options, and source recycled plastic for use in its packaging.

**Mitigation:** PSL is always working on packing replacements and regulatory frameworks with the government and other industry authorities. Through partnerships with several NGOs, the Company is implementing a waste management programme that includes mass collection, processing, and disposal of used plastics. The Company is extending its support to the suppliers who are working on recyclable packaging film, and once it is available, it will transition to recyclable laminate. PSL is aware that the new packaging

film may be slightly more expensive than the current material; however, the precise impact will not be known until the material is widely accessible.

### INTERNAL CONTROL SYSTEM

The Company has a strong internal control framework in place to monitor the effectiveness of internal controls. The independent internal auditor of the Company provides an independent and reasonable assurance to the Audit Committee on the adequacy and effectiveness of risk management, internal control business processes, operations, financial reporting and compliance. The framework is appropriate for the size, scale, and complexity of the Company's operations.

Internal audits and management reviews are conducted on a regular basis in areas like procurement, production, information technology, supply chain, sales, marketing, and finance, among others. Internal auditor reports are reviewed on a regular basis by management, and corrective and remedial actions are done to reinforce controls and improve the effectiveness of current systems. The Audit Committee of the Board receives summaries of the reports and action plan for their review and update.

### CAUTIONARY STATEMENTS

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



# Board's Report

## To the Members,

Your Board of Directors ('Board') is pleased to present the 13<sup>th</sup> Board's Report of Prataap Snacks Limited ('Prataap' or 'the Company') for the financial year ended 31<sup>st</sup> March, 2022.

## FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

In the backdrop of a challenging macro environment, the standalone revenue from operations of the Company increased to ₹ 1,22,336.80 lakhs compared to ₹ 1,01,037.57 lakhs in the previous year, registering a growth of 21.08%. The addition of new retail outlets to our distribution network coupled with enhanced reach of the existing distribution network on the back of initiatives like tele-calling have positively contributed to volumes.

Net profit after tax decreased to ₹ 925.17 lakhs from ₹ 2,086.08 lakhs of the previous year, representing a decline of 55.65% primarily due to sharp inflation in palm oil prices and packaging material prices and loss incurred due to fire at the Kolkata unit. The effects of inflation in inputs were largely offset by the various cost optimisation initiatives, gradual implementation of the direct distribution model, grammage rationalisation and higher price realisation. The consolidated revenue from operations of the Company increased to ₹ 1,39,661.93 lakhs compared to ₹ 1,17,108.88 lakhs in the previous year, registering a growth of 19.26%. Net profit after tax decreased to ₹ 290.90 lakhs from ₹ 1,415.59 lakhs of the previous year, representing a decline of 79.45%. The financial performance of the Company on standalone and consolidated basis is as under:

Particulars	(₹ in lakhs)			
	Standalone		Consolidated	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Revenue from operations	1,22,336.80	1,01,037.57	1,39,661.93	1,17,108.88
Exceptional item*	1,393.76	-	1,393.76	-
Profit/(Loss) before tax	609.42	1,989.89	(238.94)	1,107.10
Less: Current tax	(164.07)	(393.37)	(205.28)	(408.70)
Add: Deferred tax (including MAT)	479.82	489.56	735.12	717.19
Less: Re-measurement of deferred tax on account of new tax regime	-	-	-	-
<b>Net Profit after tax</b>	<b>925.17</b>	<b>2,086.08</b>	<b>290.90</b>	<b>1,415.59</b>
Other Comprehensive income/(loss)	15.89	2.04	23.11	17.46
<b>Total comprehensive income for the year</b>	<b>941.06</b>	<b>2,088.12</b>	<b>314.01</b>	<b>1,433.05</b>
Surplus brought forward	21,310.13	19,456.55	22,271.22	21,072.69
Less: Amount utilised towards payment of dividend (including dividend distribution tax)	(117.27)	(234.53)	(117.27)	(234.53)
<b>Surplus carried forward</b>	<b>22,133.92</b>	<b>21,310.13</b>	<b>22,467.96</b>	<b>22,271.22</b>

\*Loss by fire at Kolkata Unit.

During the year under review, your Company has received approval under Production Linked Incentive (PLI) Scheme of Government of India under Ready to Cook/Ready to Eat (RTC/RTE) segment. All the products of your Company are covered under the PLI Scheme except Potato Chips. The incentive will be payable on incremental sales of eligible products over the base year sales. The base year for calculating the PLI benefit on incremental sales is FY 2019-20 for the first 4 years and FY 2021-22 and FY 2022-23 for the fifth and sixth years respectively. For FY 2021-22 to FY 2024-25, the incentive rate for eligible products is 7.5% on the incremental sales over base year sales. The incentive rate for FY 2025-26 and FY 2026-27 is 6.75% and 6.00% respectively on the incremental sales over base year sales.

The incentives are subject to terms and conditions as approved by the Competent Authority from time to time.

During the year under review, operational challenges remained with palm oil prices, as the prices remained elevated. In addition, there was a notable increase in the prices of laminates, which is a key raw material for our packaging process. Our cost optimisation programmes, improvement in price realisation and implementation of the Direct Distribution Model has enabled us to mitigate the inflationary cost pressures to a large extent.

Your Company has compressed the distribution network by adopting the Direct Distribution Model, which has optimised

the distribution costs and enhanced the margins. Further, your Company has actively undertaken tele-calling initiative in select market, which helped the Company to enhance the efficacy of its distribution network resulting in better coverage of territories and leading to higher volumes. Your Company has plan of steadily extending it to additional geographies.

### DIVIDEND

After considering the Company's profitability, cash flow and overall financial performance, the Board of Directors of the Company is pleased to recommend a dividend of INR 0.50 per equity share of face value of ₹ 5/- each (i.e. 10%) for the financial year ended 31<sup>st</sup> March, 2022. Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy of the Company has been disclosed on the website of the Company and the web link of the same is <http://www.yellowdiamond.in/wp-content/uploads/2018/05/Dividend-Distribution-Policy-31st-May.pdf>

### RESERVES

For the financial year ended 31<sup>st</sup> March, 2022, no amount has been proposed to carry to General Reserve. However, ₹ 925.17 lakhs has been taken to surplus in the Statement of profit and loss.

### SHARE CAPITAL

During the year under review, there is no change in the authorised, issued, subscribed and paid-up equity share capital of the Company. As on 31<sup>st</sup> March, 2022, the authorised share capital is ₹ 1,600.00 lakhs and issued, subscribed and paid-up equity share capital is ₹ 1,172.65 lakhs.

### EMPLOYEE STOCK APPRECIATION RIGHTS (ESAR) PLAN

The Company has framed Prataap Employees Stock Appreciation Rights Plan 2018 ("ESARP 2018") pursuant to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014. During the year under review, the Company has granted 59,800 Employee Stock Appreciation Rights to the eligible employee of the Company. There was no change in the ESARP 2018 during the year under review. The disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital And Debentures) Rules, 2014 is given in Annexure-I, which is annexed hereto and forms part of the Board's Report and also disclosed on the website of the Company and can be accessed at <https://www.yellowdiamond.in/wp-content/uploads/2022/06/Disclosure-of-ESARs-31.03.2022-2.pdf>. The ESARP 2018 is in compliance with applicable provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

### DEPOSITS

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

### CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Para B and C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis, Report on Corporate Governance and Practicing Company Secretary's certificate regarding the compliance of conditions of Corporate Governance and Business Responsibility Report forms part of Annual Report 2021-22 ("Annual Report").

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed alongwith proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a

true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and the profit and loss of the Company for the year ended on that date;

- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

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

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

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

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

Your Company's system and process relating to internal controls and procedures for financial reporting provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable

Indian Accounting Standards, the Companies Act, 2013 and Rules made thereunder and all other applicable regulatory/statutory guidelines etc.

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

### **HUMAN RESOURCE**

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

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

### **DIRECTORS**

Your Board in its meeting held on 20<sup>th</sup> May, 2022 has appointed Mr. Bharat Singh (DIN: 08222884) as an Alternate Director (Non-Executive, Nominee Director) for Mr. G.V. Ravishankar (DIN: 02604007), Non-Executive, Nominee Director of the Company. Mr. Bharat Singh shall hold office as such upto the tenure of Mr. G.V. Ravishankar or till the time he returns to India, whichever is earlier.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. G.V. Ravishankar (DIN: 02604007), Director will retire by rotation at the ensuing 13<sup>th</sup> Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company. The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing 13<sup>th</sup> Annual General Meeting of the Company.

The brief resume and other information/details of Mr. G.V. Ravishankar seeking re-appointment, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) are given in the Notice of the ensuing 13<sup>th</sup> Annual General Meeting, which forms part of the Annual Report.

### **KEY MANAGERIAL PERSONNEL**

Mr. Arvind Mehta, Chairman and Executive Director, Mr. Amit Kumar, Managing Director and Chief Executive Officer, Mr. Apoorva Kumar,

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

### **DECLARATION BY INDEPENDENT DIRECTORS**

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

### **MEETINGS OF BOARD AND COMPOSITION OF COMMITTEES**

During the financial year ended 31<sup>st</sup> March, 2022, five (5) Board meetings were held on 28<sup>th</sup> May, 2021, 03<sup>rd</sup> August, 2021, 29<sup>th</sup> September, 2021, 11<sup>th</sup> November, 2021 and 04<sup>th</sup> February, 2022.

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

### **PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Note on Board evaluation issued by SEBI, the Board of Directors of your Company carried out a formal annual evaluation of its own performance and of its committees and individual directors. The process was conducted by allowing the Board to engage in candid discussions with each Director with

the underlying objective of taking best possible decisions in the interest of the Company and its stakeholders. The Directors were individually evaluated through a structured questionnaire to ascertain feedback on parameters which, inter alia, comprised of level of engagement, their contribution to strategic planning and other criteria based on performance and personal attributes of the Directors. During the process of evaluation, the performance of the Board was evaluated by the Board after seeking inputs from all the Directors. The performance of the committees was evaluated by the Board after seeking inputs from the respective Committee members on the basis of the criteria such as the composition of committees effectiveness of the committees, structure of the committees and meetings, contribution of the committees etc. The Board evaluated the performance of the individual directors based on the criteria as per aforesaid Guidance Note of SEBI and evaluation criteria framed by the Nomination and Remuneration Committee. A statement regarding the form and way in which the formal annual performance evaluation has been made by the Board of Directors is given in the Report on Corporate Governance, which forms part of the Annual Report.

### **SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

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

The Nomination and Remuneration Policy of the Company has been amended from time to time in line with applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During, the year under review, the Nomination and Remuneration Policy has been amended in line with the amended provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The salient features of the Nomination and Remuneration Policy are stated in the Report on Corporate Governance, which forms part of the Annual Report. The Nomination and Remuneration Policy is uploaded on the website of the Company and the web link of the same is <http://www.yellowdiamond.in/wp-content/uploads/2021/06/Nomination-and-Remuneration-Policy.pdf>

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

## AUDITOR

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

## AUDITOR'S REPORT

The Auditor's Report on the financial statements of the Company forms part of the Annual Report. There is no qualification, reservation or adverse remark in the Auditor's Report, which calls for any comment or explanation. Further, during the year under review, the Auditor have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed pursuant to Section 134(3)(ca) of the Companies Act, 2013.

## SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Ritesh Gupta & Co., Company Secretaries in practice was appointed to undertake the secretarial audit of the Company for the financial year ended 31<sup>st</sup> March, 2022. The Report of the Secretarial Auditor for the financial year ended 31<sup>st</sup> March, 2022 is given in Annexure-III, which is annexed hereto and forms part of the Board's Report. No qualification, observation or adverse remark have been made by Secretarial Auditor in the Secretarial Audit Report, which calls for any comment or explanation.

## INTERNAL AUDITOR

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

## COST AUDITOR

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

## COMPLIANCE WITH SECRETARIAL STANDARDS

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

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into by the Company during the financial year under review were on arm's length basis and in the ordinary course of business. Further, during the year under review, no material related party transactions were entered into by the Company with the related parties. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable. All related party transactions are placed before the meetings of Audit Committee for its approval. Further, prior omnibus approval of the Audit Committee is obtained on an annual basis, for a financial year, for the transactions which are of foreseen and repetitive in nature. The statement giving details of related party transactions entered into pursuant to the omnibus approval are placed before the Audit Committee for review and updation on quarterly basis. Details of related party transactions are provided in the financial statements and hence not repeated herein for the sake of brevity.

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

## SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

As on 31<sup>st</sup> March, 2022, your Company has two subsidiaries, viz. Avadh Snacks Private Limited (Avadh) and Red Rotopack Private Limited (Red Rotopack). Your Company does not have any associate or joint venture. Avadh is engaged in the manufacturing and selling of branded packaged snacks under brand name "Avadh". Avadh has a well-diversified and strong product portfolio of namkeens like bhujia, chevda, fafda, gathiya etc. and extruded pellets like wheels, cups, pasta etc.

with strong presence in the state of Gujarat and expanding to Maharashtra, Rajasthan and Uttar Pradesh. Red Rotopack has been incorporated for a backward integration to manufacture and supply packaging material for Avadh's products.

During the year under review, Avadh has achieved sustained growth in business with higher revenue as compared to last financial year. There was no production of laminates, the packaging material, which is manufactured by Red Rotopack and used by Avadh for its products as the same is available at competitive rates in the market.

A statement containing the salient features of the financial statements of subsidiaries as prescribed under the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is attached with the financial statements. The particulars of the financial performance of the aforesaid subsidiaries are provided as part of the consolidated financial statements and hence not repeated herein for the sake of brevity.

During the year under review, the Board of your Company has approved the Scheme of Amalgamation of Avadh (Transferor Company 1) and Red Rotopack (Transferor Company 2) with Prataap (Transferee Company) and their respective shareholders and creditors. The Company has filed the necessary application before the National Company Law Tribunal, Indore Bench. The amalgamation is under process.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder read with Indian Accounting Standards specified under the Companies (Indian Accounting Standards) Rules, 2015, the consolidated financial statements of the Company as at and for the year ended 31<sup>st</sup> March, 2022, forms part of the Annual Report.

### LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments pursuant to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements read together with notes annexed thereto and forms an integral part of the financial statements and hence not repeated herein for the sake of brevity.

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

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

### PARTICULARS OF EMPLOYEES

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

### ANNUAL RETURN

In compliance with the provisions of Section 92 of the Companies Act, 2013, the Annual Return of the Company for the financial year ended 31<sup>st</sup> March, 2022 has been uploaded on the website of the Company and the web link of the same is [https://www.yellowdiamond.in/wp-content/uploads/2022/06/Annual-Return\\_2021-22.pdf](https://www.yellowdiamond.in/wp-content/uploads/2022/06/Annual-Return_2021-22.pdf)

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

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

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

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

### GENERAL

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

1. Material changes and/or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this Report.
2. Significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
3. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-time Director(s) of the Company.



4. Buy back of securities/issue of sweat equity shares/issue of equity shares with differential rights.
5. Matters reported by the Auditor under Section 143(12) of the Companies Act, 2013 either to the Audit Committee, Board of Directors or the Central Government.
6. Revision of the previous year's financial statements.
7. Change in the nature of business of the Company.
8. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
9. One-time settlement with any bank or financial institution.

### **ACKNOWLEDGEMENT**

The Board desires to place on record its grateful appreciation for continued co-operation received from the banks, financial institutions, government, customers, vendors, shareholders and

other stakeholders during the year under review. The Board also wish to place on record its deep sense of appreciation to all the employees of the Company for their unstinted dedication, commitment and continued contribution in the performance of the Company during ongoing pandemic time. Your Board look forward for their continued support in future.

Yours faithfully,

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

**Amit Kumar**

Managing Director and Chief Executive Officer  
DIN: 02663687

**Apoorva Kumar**

Executive Director  
(Operations)  
DIN: 02630764

Place: Indore

Date: 20<sup>th</sup> May, 2022

## ANNEXURE-I

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

- A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time: Please refer to Note No. 45 of Notes to standalone financial statements, which forms part of the Annual Report.
- B. Diluted Earnings per Share (EPS) on issue of equity shares on exercise of ESARs pursuant to ESARP 2018 in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per Share': ₹ 3.94

**C. Details related to SAR**

Sr. No.	Particulars	Prataap Snacks Limited Employee Stock Appreciation Rights Plan 2018 (ESARP 2018)
(i)	A description of each SAR scheme that existed at any time during the year, including the general terms and conditions of each SAR scheme, including:	
a)	Date of shareholders' approval	28 <sup>th</sup> September, 2018
b)	Total number of shares approved under the SAR scheme	3,51,000 equity shares
c)	Vesting requirements	ESARs granted under ESARP 2018 will vest after a minimum period of one year but not later than a maximum period of five years from the grant date of such ESARs.  25% of ESARs granted will vest every year starting from one year from the grant date on meeting the vesting conditions as specified in ESARP 2018.
d)	SAR Price or Pricing Formula	i. ESARs granted on 9 <sup>th</sup> August, 2019: ₹ 775.00 (Rupees Seven hundred seventy five only)  ii. ESARs granted on 4 <sup>th</sup> February, 2022: ₹ 842.00 (Rupees Eight hundred forty two only)
e)	Maximum term of SAR granted	Five years from the grant date
f)	Method of settlement (whether in cash or equity)	Equity (Further, if the settlement results in fractional shares, then the consideration for fractional shares shall be settled in cash or in the manner as may be decided by the Nomination and Remuneration Committee.)
g)	Choice of settlement (with the company or the employee or combination)	With the employee
h)	Source of shares (primary, secondary or combination)	Primary
(i)	Variation in terms of scheme	Nil
(ii)	Method used to account for SAR - Intrinsic or fair value	Fair value
(iii)	Where the company opts for expensing of SAR using the intrinsic value of SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of SAR, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	Not Applicable
(iv)	SAR movement during the year	
a)	Number of SARs outstanding at the beginning of the year	3,40,501



Sr. No.	Particulars	Prataap Snacks Limited Employee Stock Appreciation Rights Plan 2018 (ESARP 2018)				
b)	Number of SARs granted during the year	59,800				
c)	Number of SARs forfeited/lapsed during the year	1,50,135				
d)	Number of SARs vested during the year	85,542				
e)	Number of SARs exercised/settled during the year	Nil				
f)	Number of SARs outstanding at the end of the year	2,50,166				
g)	Number of SARs exercisable at the end of the year	1,00,761				
h)	Total number of shares arising as a result of exercise of SARs	Nil				
		Total number of shares covered and to be allotted upon exercise is as under:  Number of shares to be allotted = (Appreciation per ESAR x Number of ESARs exercised)/Market price with reference to date of exercise				
i)	Exercise price	ESAR grantee shall pay the face value of a share prevailing at the time of such allotment per share allotted subject to additional payment/recovery of applicable taxes.  The present face value of share is ₹ 5.00 per share.				
j)	Money realised by exercise of SARs	Nil				
k)	Total number of SARs in force	2,50,166				
(v)	Employee wise details (name of employee, designation, number of SAR granted during the year, exercise price) of SAR granted to:					
a)	Senior managerial personnel (including key managerial personnel);	<table border="1"> <thead> <tr> <th>Name &amp; Designation</th> <th>No. of ESARs granted</th> </tr> </thead> <tbody> <tr> <td>Mr. Rakesh Chauhan, President-Sales</td> <td>59,800</td> </tr> </tbody> </table>	Name & Designation	No. of ESARs granted	Mr. Rakesh Chauhan, President-Sales	59,800
Name & Designation	No. of ESARs granted					
Mr. Rakesh Chauhan, President-Sales	59,800					
b)	Any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and	<table border="1"> <thead> <tr> <th>Name &amp; Designation</th> <th>No. of ESARs granted</th> </tr> </thead> <tbody> <tr> <td>Mr. Rakesh Chauhan, President-Sales</td> <td>59,800</td> </tr> </tbody> </table>	Name & Designation	No. of ESARs granted	Mr. Rakesh Chauhan, President-Sales	59,800
Name & Designation	No. of ESARs granted					
Mr. Rakesh Chauhan, President-Sales	59,800					
	Identified employees who were granted SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil				
(vi)	Disclosures in respect of grants made in three years prior to IPO under each SAR scheme.	Not Applicable				

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

**Amit Kumat**

Managing Director and Chief Executive Officer  
DIN: 02663687

**Apoorva Kumat**

Executive Director (Operations)  
DIN: 02630764

Place: Indore

Date: 20<sup>th</sup> May, 2022

## ANNEXURE-II

**Annual Report on CSR Activities**

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

**1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:**

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

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

**2. COMPOSITION OF CSR COMMITTEE:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Anisha Motwani	Chairperson, Independent Director	2	2
2.	Mr. Arvind Mehta	Member, Executive Director	2	2
3.	Mr. Amit Kumat	Member, Executive Director	2	2
4.	Mr. V.T. Bharadwaj	Member, Independent Director	2	2
5.	Mr. Haresh Ram Chawla (upto 15.06.2021)	Member, Independent Director	2	1

Note:

Mr. Haresh Ram Chawla (Independent Director), Member of the Committee resigned from the Company with effect from 15<sup>th</sup> June, 2021.

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

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

(a) Composition of CSR Committee:

<http://www.yellowdiamond.in/investor-relations/>

(b) CSR Policy:

<http://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-Policy-Prataap-Snacks-1.pdf>

(c) CSR projects:

<http://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-Projects-FY-2021-22.pdf>

**4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT):**

Not Applicable.

**5. DETAILS OF THE AMOUNT AVAILABLE FOR SET-OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET-OFF FOR THE FINANCIAL YEAR, IF ANY:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2020-21	Nil	Nil
2.	2021-22	0.67	Nil
	<b>Total</b>	<b>0.67</b>	<b>Nil</b>

**6. Average net profit of the Company as per Section 135(5): ₹ 4,648.20 lakhs**

**7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 92.96 lakhs**

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

(c) Amount required to be set-off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 92.96 lakhs

**8. (a) CSR amount spent or unspent for the financial year:**

(₹ in lakhs)

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

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency Name CSR registration number
Not Applicable										

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing agency Name CSR registration number	
1.	Distribution of Company's products to the residents/people in the COVID-19 pandemic affected areas	Item no. (i) (eradicating hunger); and Item no. (xii) (disaster management)	Yes	Madhya Pradesh Indore	10.00	Yes	N.A.	N.A.
2.	Capacity building and skill development training for waste collectors; health camp for waste collectors community; and plantation drive	Item no. (ii) (promoting education, including special education and employment enhancing vocation skills); Item no. (i) (promoting health care including preventive health care); and Item no. (iv) (environmental sustainability)	No	Delhi Delhi NCR (Union Territory)	15.00	No	Indian Pollution Control Association, Registered Society	CSR00001162
3.	Livelihood and education of prisoned women's children; and plantation drive	Item no. (ii) (promoting education); Item no. (iii) (providing facilities and measures for socially and economically backward groups); and Item no. (iv) (environmental sustainability)	Yes	Madhya Pradesh Satna	22.50	No	Sarthak Welfare Society, Registered Society	CSR00009301
4.	Construction of Accidental Dogs Ward	Item no. (iv) (animal welfare)	Yes	Madhya Pradesh Indore	7.80	No	Animal Welfare Society, Registered Society	CSR00008357
5.	Providing nutritious milk to elderly, disabled, disadvantaged and destitute people	Item no. (i) (promoting health care including preventive health care)	Yes	Madhya Pradesh Ujjain	10.00	No	Sewadham Ashram, a project of Ujjaini Varishtha Nagrik Sangathan, Registered Society	CSR00012403
6.	Distribution of cancer & general medicines and high protein diet to pregnant ladies and anemic children	Item no. (i) (promoting health care including preventive health care)	Yes	Madhya Pradesh Indore	3.70	No	Sahayata, Public Trust	CSR00012044

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project	Mode of implementation-Direct (Yes/No)	Mode of implementation- Through implementing agency	
							Name	CSR registration number
7.	Training to Athletes for preparing them for running/ athletic sport, a nationally recognized and Olympic sport; and running Runners Clinic at Indore Dewas and Ujjain	Item no. (vii) (training to promote nationally recognised and Olympic sports); and Item no. (i) (promoting health care including preventive health care)	Yes	Madhya Pradesh Indore, Dewas and Ujjain	6.00	No	Runners Training Academy a division of Malwa Marathoners, Registered Society	CSR00002866
8.	Covid-19 vaccination camp for underprivileged people and providing medical support to underprivileged children suffering from cancer	Item no. (i) (promoting health care including preventive health care)	Yes	Madhya Pradesh Indore	5.00	No	Nanhe Farishte, Registered Society	CSR00009891
9.	Health check-up camp for residents of Palda or/and Tillore, Indore	Item no. (i) (promoting health care including preventive health care)	Yes	Madhya Pradesh Indore	8.00	No	Child Care & Education Society, Registered Society	CSR00014948
10.	Clinical infrastructure for COVID Healthcare center in Jhabua	Item no. (i) (promoting health care including preventive health care); and Item no. (xii) (disaster management)	Yes	Madhya Pradesh Jhabua	5.00	No	Shiv Ganga Samagra Gram Vikas Parishad Samiti, Registered Society	CSR00005985
<b>Total</b>					<b>93.00</b>			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 93.00 lakhs

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

(₹ in lakhs)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per Section 135(5)	92.96
(ii)	Total amount spent for the financial year	93.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.04
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.04

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
Nil								

**10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR:**

Not Applicable.

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

Not Applicable.

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

**Amit Kumat**

Managing Director and Chief Executive Officer  
DIN: 02663687

**Apoorva Kumat**

Executive Director (Operations)  
DIN: 02630764

**Anisha Motwani**

Chairperson  
CSR Committee  
DIN: 06943493

Place: Indore

Date: 20<sup>th</sup> May, 2022

**FORM No. MR-3****Secretarial Audit Report****For the Financial Year ended 31<sup>st</sup> March, 2022**

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

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

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

- (a) Food Safety and Standards Act, 2006
- (b) Trade Marks Act, 1999
- (c) Legal Metrology Act, 2009

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

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

- i. Secretarial Standard-1 on Meeting of the Board of Directors and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (c) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

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

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

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

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

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

I further report that no event occurred during the audit period having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except that the Board of Directors of the Company have approved the Scheme of Amalgamation of Avadh Snacks Private Limited ("Transferor Company 1") and Red Rotopack Private Limited ("Transferor Company 2") with Prataap Snacks Limited ("Transferee Company") and their respective shareholders and creditors. The Company has filed the necessary application to the National Company Law Tribunal, Indore Bench. The amalgamation is under process.

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

**Ritesh Gupta**

Place: Indore  
Date: 20<sup>th</sup> May, 2022

CP: 3764|FCS: 5200  
UDIN: F005200D000344385

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



## Annexure-'A' to the Secretarial Audit Report

To,  
The Members,  
Prataap Snacks Limited

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

1. Maintenance of Secretarial and other statutory records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliances of subsidiaries companies were not reviewed in this audit.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

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

Place: Indore  
Date: 20<sup>th</sup> May, 2022

**Ritesh Gupta**  
CP: 3764|FCS: 5200  
UDIN: F005200D000344385

## ANNEXURE-IV

**Details pertaining to Remuneration**

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

**1. RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022 IS AS UNDER:**

Name of Director	Remuneration (₹ in lakhs)	Ratio of remuneration of Director to the median remuneration
Mr. Arvind Mehta Chairman and Executive Director	82.50	31.20
Mr. Amit Kumat Managing Director and Chief Executive Officer	82.50	31.20
Mr. Apoorva Kumat Executive Director (Operations)	82.50	31.20
Mrs. Anisha Motwani Independent Director	13.10	4.95
Mr. Vineet Kumar Kapila Independent Director	13.70	5.18
Mr. Hareesh Ram Chawla Independent Director	1.10	0.42
Mr. Chetan Kumar Mathur Independent Director	14.66	5.55
Mr. V.T. Bharadwaj Independent Director	12.62	4.77

Notes:

- Remuneration comprises of salary and perquisites.
- The Independent Directors received remuneration by way of commission and sitting fees for attending the Board and Committees meetings.
- Mr. Hareesh Ram Chawla resigned from the Board of Directors of the Company with effect from 15<sup>th</sup> June, 2021.
- No remuneration has been paid to Mr. G.V. Ravishankar, Non-Executive Nominee Director.

**2. PERCENTAGE INCREASE/(DECREASE) IN THE REMUNERATION OF EACH DIRECTOR, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY IN THE FINANCIAL YEAR 2021-22 IS AS UNDER:**

Name of Director/KMP	Remuneration (₹ in lakhs)	% increase/(decrease) in remuneration
Mr. Arvind Mehta Chairman and Executive Director	82.50	22.22%
Mr. Amit Kumat Managing Director and Chief Executive Officer	82.50	22.22%
Mr. Apoorva Kumat Executive Director (Operations)	82.50	22.22%
Mrs. Anisha Motwani Independent Director	13.10	6.50%
Mr. Vineet Kumar Kapila Independent Director	13.70	11.38%
Mr. Hareesh Ram Chawla Independent Director	1.10	N.A.

Name of Director/KMP	Remuneration (₹ in lakhs)	% increase/(decrease) in remuneration
Mr. Chetan Kumar Mathur Independent Director	14.66	14.17%
Mr. V.T. Bharadwaj Independent Director	12.62	6.77%
Mr. Sumit Sharma Chief Financial Officer	54.41	19.06%
Mr. Om Prakash Pandey Company Secretary and Compliance Officer	27.62	20.19%

Notes:

- a) Remuneration comprises of salary, allowance, perquisites, contribution to provident fund and leave encashment paid.
  - b) The Independent Directors received remuneration by way of commission and sitting fees for attending the Board and Committees meetings.
  - c) Mr. Haresh Ram Chawla resigned from the Board of Directors of the Company with effect from 15<sup>th</sup> June, 2021. Hence, percentage increase/(decrease) in remuneration is not given being not comparable.
  - d) No remuneration has been paid to Mr. G.V. Ravishankar, Non-Executive Nominee Director.
3. The percentage increase in the median remuneration of employees in the financial year 2021-22 was 7.93%. The median remuneration of employees is ₹ 2.64 lakhs for the financial year 2021-22.
  4. There were total 1,049 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2022.
  5. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 was 3.38%. The increase in the managerial remuneration of executive directors in the financial year 2021-22 was 22.22%. The increase in the remuneration of the executive directors was after considering their rich and varied experience in snacks food industry, industry benchmark, inflation and the overall performance of the Company, whereas the increase in the salary of the employees was an increment as per the Policy of the Company guided by various factors such as inflation, talent retention, reward for individual performance and the overall performance of the Company.
  6. It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.
  7. **STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022:**

Sr. No.	Name and Designation	Age (in years)	Remuneration (₹ in lakhs)	Qualification	Experience (in years)	Last employment	Commencement of employment
1.	Mr. Subhashis Basu, Chief Operating Officer	54	104.60	Bachelor's Degree in Science (Economics)	30	Mother Dairy Fruit and Vegetables Private Limited	01.05.2017
2.	Mr. Subhash Bhatt, Vice President – Operation	51	61.17	Bachelor's of Engineering	26	Prakash Snacks Private Limited	01.01.2004
3.	Mr. Rakesh Chauhan, President – Sales	52	58.72	BSc., PG Diploma in Marketing and Business Management	31	Haldiram Snacks Private Limited	01.01.2022
4.	Mr. Sumit Sharma, Chief Financial Officer	45	54.41	Chartered Accountant and B.Com	20	L&T Case Equipment Private Limited	15.02.2012

Sr. No.	Name and Designation	Age (in years)	Remuneration (₹ in lakhs)	Qualification	Experience (in years)	Last employment	Commencement of employment
5.	Mr. Awadh Bihari Singh, General Manager Sales – East	60	42.73	Bachelor's Degree in Science (Hons).	34	Chhaged Food (I) Limited	01.01.2005
6.	Mr. D.V. Praveen Kumar, General Manager Sales – South	55	40.13	Bachelor's Degree in Commerce	34	PepsiCo-Atlas Dina Co.	20.11.2018
7.	Mr. Abhijit Singh, Zonal Sales Head - East	33	31.95	Master of Management Studies (Marketing)	8	ABD India Private Limited	20.06.2014
8.	Mr. Ankur Verma, Business Head	32	29.15	B. Tech (IT), PGDMA	8	N.A.	01.04.2014
9.	Mr. Om Prakash Pandey, Company Secretary and Compliance Officer	39	27.62	Company Secretary, LLB and B.Com	16	Universal Cables Limited	03.10.2018
10.	Mr. Mahesh Purohit, General Manager Sales – West	52	27.58	Bachelor's Degree in Commerce	25	Candico (I) Limited	05.01.2006

## Notes:

- Mr. Subhashis Basu, Chief Operating Officer and Mr. Subhash Bhatt, Vice President – Operation resigned from the Company with effect from 18<sup>th</sup> September, 2021 and 31<sup>st</sup> March, 2022 respectively.
- Remuneration comprises of salary, allowance, perquisites, contribution to provident fund and leave encashment paid and gratuity paid to the employees who have resigned during the year.
- None of the above employees is related to any Director of the Company and does not hold, alongwith his wife and dependent children, more than 2% of the equity shares of the Company.

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

**Amit Kumat**

Managing Director and Chief Executive Officer  
DIN: 02663687

**Apoorva Kumat**

Executive Director (Operations)  
DIN: 02630764

Place: Indore

Date: 20<sup>th</sup> May, 2022

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

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

**(A) CONSERVATION OF ENERGY:**

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

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

- Installation of automatic Speed Controller in dispatch box conveyor belt to minimise the electricity consumption in Rings Unit.
- Individually monitoring of each electrical panel's power factor by our internal maintenance team to avoid power factor penalties.
- All inside lighting of Chips plant and ETP are operating through timer to avoid unnecessary wastage of energy.
- All old tube lights choke based 80 watt were replaced by new LED lights 40 watt inside plant.
- All outer floodlight 400 watt were replaced by 150 watt LED lights 150 watt.

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

- Bio-gas (Methane: 0-60%, CO<sub>2</sub>: 30-45%, H<sub>2</sub>S: 0.5%) 85 M<sup>3</sup>/hr. has been generated from new installed ETP plant which is being utilised in manufacturing process.
- Use of bio-mass briquettes for generating heat for manufacturing process in Indore plant and one of the third party manufacturing locations.
- We are using solar power at Indore Plant. During the financial year 2020-21, almost 27.15% of power need of Indore plant has been fulfilled by solar power.

**(iii) Capital investment on energy conservation equipments:**

Capital expenditure on energy conservation equipments is not separately accounted.

**(B) TECHNOLOGY ABSORPTION:****(i) Efforts made towards technology absorption:**

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

- Installed new modular belt in potato grader instead of plastic belt in Chips plant. Due to this breakdown has been reduced.
- Installed New Braking Motor in potato grader to stop potato falling from potato conveyor belt during manufacturing process. Due to this efficiency of conveyor belt increased in Chips plant.
- New Potato Grader installed in our Chips plant to avoid soil in potato, damage of slicer and plant breakdown.
- Installation of Box Conveyor Belt in finish goods godown with a capacity of maximum 800 bags/carton per hour. This save time while loading a vehicle/truck and reduce loading manpower.
- Installation of new SS Cylinder alongwith Solenoid Timer valve in Air Compressor Tank.

- Installation of Cooling fans across the Stock Feeder line in the packaging department. Due to this the temperature of chips has been reduced upto 6 to 7 degree centigrade.
- Use of Battery Stackers in Potato godown for unloading of potato in hopper to avoid excess movement and extra manpower.
- Installation of an online conveyor belt and started online packing of popcorn. Due to this material spillage is controlled and manpower also reduced.
- Vibro shaker (De-Oiling belt) has been installed in all pellet products production line across the units.
- New modified Flavour gun has been installed in all extruded products production line across the units.

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

- Approximate 3 - 4% oil saving in pellets products due to installation of Vibro shaker (De-Oiling belt).
- Approximate 1% oil saving in extruded products due to installation of new modified Flavour gun.
- Chips production quality improved due to installation of New Potato Grader in Chips plant.
- Minimal wastage of raw material.
- Higher productivity and lesser production cost.
- Improved hygienic condition and consistency in quality.

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

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

**(iv) Expenditure incurred on Research and Development:**

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

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, the foreign exchange outgo in terms of actual outflows was Nil while foreign exchange earned in terms of actual inflows was ₹ 60.55 lakhs.

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

**Amit Kumat**

Managing Director and Chief Executive Officer  
DIN: 02663687

**Apoorva Kumat**

Executive Director (Operations)  
DIN: 02630764

Place: Indore

Date: 20<sup>th</sup> May, 2022

**FORM No. MR-3****Secretarial Audit Report****For the Financial Year ended 31<sup>st</sup> March, 2022**

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

To,  
The Members,  
**AVADH SNACKS PRIVATE LIMITED**  
(CIN: U15132GJ2017PTC098837)  
R.S. No. 123 / P3, New R.S. No. 128,  
Ind. Plot No 1, Nikava,  
Jamnagar - 361162, Gujarat, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avadh Snacks Private Limited (CIN:U15132GJ2017PTC098837)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable)**;
- (v) The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable)**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable)**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable)**
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; **(Not applicable)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **(Not applicable)**;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable)** and
  - (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **(Not applicable)**.

- (vi) The Company has identified and confirmed the following laws as being applicable specifically to the Company:
- i. Food Safety and Standards Act, 2006
  - ii. Legal Metrology Act, 1999
  - iii. Trade Marks Act, 1999

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

- (i) Secretarial Standards -1 on Meeting of the Board of Directors and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not applicable)**

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

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

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

I further report that no event occurred during the audit period having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except that the Board of Directors of the Company have approved the Scheme of Amalgamation of Avadh Snacks Private Limited ("Transferor Company 1") and Red Rotopack Private Limited ("Transferor Company 2") with Prataap Snacks Limited ("Transferee Company") and their respective shareholders and creditors. The amalgamation is under process.

For **H TOGADIYA & ASSOCIATES**  
Practicing Company Secretary

**CS HIMANSHU TOGADIYA**

FCS No: 11822 COP No.: 18233

Peer Review No: 2005/2022

UDIN: F011822D000338632

Place: Rajkot

Date: 20<sup>th</sup> May, 2022

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



**'Annexure-A' to the Secretarial Audit Report**

To,  
The Members,  
**AVADH SNACKS PRIVATE LIMITED**  
(CIN: U15132GJ2017PTC098837)  
R.S. No. 123 / P3, New R.S. No. 128,  
Ind. Plot No 1, Nikava,  
Jamnagar - 361162, Gujarat, India

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

1. Maintenance of Secretarial and other statutory records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future liability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **H TOGADIYA & ASSOCIATES**  
Practicing Company Secretary

Place: Rajkot  
Date: 20<sup>th</sup> May, 2022

**CS HIMANSHU TOGADIYA**  
FCS No: 11822 COP No.: 18233  
Peer Review No: 2005/2022

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L15311MP2009PLC021746
2.	Name of the Company	Prataap Snacks Limited
3.	Registered address	Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India
4.	Website	www.yellowdiamond.in
5.	E-mail id	complianceofficer@yellowdiamond.in
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code: 1030 Description: Potato chips, namkeen and other snacks Code: 1071 Description: Sweet snacks like cakes and pies
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Potato chips Namkeen Extruded snacks
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	N.A.
	(b) Number of National Locations	6 (owned manufacturing locations) and 7 (third party manufacturing locations)
10.	Markets served by the Company Local/State/National/International	Local, State, National and International

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 1,172.65 lakhs
2.	Total Turnover (INR)	₹ 1,22,336.80 lakhs
3.	Total profit after taxes (INR)	₹ 925.17 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 93.00 lakhs (2.00% of the average net profits of the three immediately preceding financial years as per Section 135 of the Companies Act, 2013 and Rules made thereunder.
5.	List of activities in which expenditure in 4 above has been incurred	Kindly refer Annexure – II of Board's Report.

## SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Name	DIN	Designation
Mr. Arvind Mehta	00215183	Chairman and Executive Director
Mr. Amit Kumat	02663687	Managing Director and Chief Executive Officer
Mr. Apoorva Kumat	02630764	Executive Director (Operations)

**(b) Details of the BR head**

Name	DIN	Designation	Telephone number	E-mail id
Mr. Amit Kumat	02663687	Managing Director and Chief Executive Officer	+91 731 2439999	amit@yellowdiamond.in

**2. Principle-wise (as per NVGs) BR Policy/policies**
**(a) Details of compliance (Reply in Y/N)**

The Nine principles as per BRR are as given below: -

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?					Yes				
3.	Does the policy conform to any national/international standards? If yes, specify?	The policies are based on NVG-guidelines, in addition to conformance to the spirit of applicable law, regulations and standards.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Policies governed by the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board and other policies are approved by the Managing Director and Chief Executive Officer or Functional Heads of the Company, as appropriate.								
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?					Yes				
6.	Indicate the link for the policy to be viewed online?	The policies, which are required to be disclosed on website of the Company are available at <a href="http://www.yellowdiamond.in/investor-relations/">http://www.yellowdiamond.in/investor-relations/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are uploaded on our website for communicating to the internal and external stakeholders. Internal stakeholders are made aware of the policies. External stakeholders are informed, wherever required.								
8.	Does the company have in-house structure to implement the policy/policies.					Yes				
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?					Yes				
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?									Yes, wherever appropriate.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task						Not Applicable			
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, BR performance of the Company is assessed annually Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	or as required.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Business Responsibility Report is part of the Annual Report. This Report is available on the website of the Company and can be accessed through the web link <a href="http://www.yellowdiamond.in/investor-relations/">http://www.yellowdiamond.in/investor-relations/</a>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1: INTEGRITY, ETHICS, TRANSPARENCY & ACCOUNTABILITY

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No.  Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	The Company has Anti-corruption policy and also adopted the Code of Conduct for its Directors, senior management and employees that cover issues related to ethics, workplace responsibilities and conflict of interest. Both, Anti-corruption policy and Code of conduct cover dealings with suppliers, customers and other business associates.  Further, the Company has adopted a Vigil Mechanism/ Whistle Blower Policy to provide a mechanism for employees and directors to approach the Vigilance Officer/Chairperson of Audit Committee for reporting unethical behavior, actual or suspected fraud, breach of terms and conditions of employment, violation of the Company's Code of Conduct or instances of leak of Unpublished Price Sensitive Information.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has received two (2) complaints from the investor/shareholder and both the complaints were promptly attended and resolved.

**PRINCIPLE 2: SUSTAINABILITY AND SAFE GOODS AND SERVICES**

<p>1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.</p>	<p>The Company is committed to attain environmental and economic benefits from efficient use of energy and water and waste reduction. The Company understands its obligations relating to social and environmental concerns, risks and opportunities. The Company ensures fulfilment of its obligations that relate to its products, environmental aspects and occupational health and safety.</p>
	<p>The products are:</p> <ul style="list-style-type: none"> <li>i. Potato Chips</li> <li>ii. Namkeen</li> <li>iii. Extruded Snacks</li> <li>iv. Pellets</li> <li>v. Sweet Snacks</li> </ul>
<p>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p>	
<p>(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?</p>	<p>The Company is committed to environmental sustainability. The Company work towards reduction and optimal utilisation of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas.</p>
<p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>The Company's products do not have any broad-based impact on energy and water consumption by consumers.</p>
<p>3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>The Company has a structured procedure, which is followed before collaborating with any business partners/associates. Our contracts/purchase order have appropriate clauses to prevent the employment of child labour or forced labour in any form. The Company emphasize on local sourcing which help in reducing the transportation cost.</p>
<p>4. Has the company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>The Company believes in inclusive growth and encourages local sourcing wherever possible. Local suppliers/vendors are evaluated based on the quality parameters set by the Company.</p>
<p>5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as &lt;5%, 5-10%, &gt;10%). Also, provide details thereof, in about 50 words or so.</p>	<p>The Company while pursuing energy efficiency programs in the plants also takes initiatives for recycling of wastes generated during production. Most of the Company's manufacturing units are committed to zero discharge. The Company recover the starch from the effluent discharged from the Chips plant at Indore. The water from the effluent treatment plant is recycled within the factory and used in maintaining greenbelts/gardens/landscapes.</p>

**PRINCIPLE 3: WELLBEING OF ALL EMPLOYEES**

1.	Please indicate the Total number of employees.	1,049 as on 31 <sup>st</sup> March, 2022
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	1,050 as on 31 <sup>st</sup> March, 2022
3.	Please indicate the Number of permanent women employees.	10 as on 31 <sup>st</sup> March, 2022
4.	Please indicate the Number of permanent employees with disabilities.	5 as on 31 <sup>st</sup> March, 2022
5.	Do you have an employee association that is recognised by management.	There is no employee association in the Company.
6.	What percentage of your permanent employees is members of this recognised employee association?	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	The Company organises several training programs for its employees. The training content is based on the roles and responsibilities of the employees in different grades and departments. Details of safety training conducted during the financial year 2021-22 is as under:
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Sr. No.	Employee Category	% of Employees that were given safety training*
(a)	Permanent Employees	100%
(b)	Permanent Women Employees	100%
(c)	Casual/Temporary/Contractual Employees	90%
(d)	Employees with Disabilities	100%

\*% is for the employees working at the plants of the Company.

Further, the Company conducts regular programs for skill up-gradation of employees.

**PRINCIPLE 4: RESPECT AND RESPONSIVENESS TO ALL STAKEHOLDERS**

1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company has mapped disadvantaged, vulnerable and marginalised stakeholders viz. communities in and around the areas of its significant operations and is actively working towards their inclusive growth as part of Company's CSR initiatives/activities.
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	The Company has taken various initiatives under the CSR activities. Kindly refer Annexure-II of the Board's Report for details of CSR activities.

**PRINCIPLE 5: RESPECT AND PROMOTE HUMAN RIGHTS**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Policy relating to respecting and promoting human rights covers the Company and group. The Company encourage its business partners and third parties with whom it conducts business to abide by this policy.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the financial year 2021-22, no complaints were received from any stakeholder.

**PRINCIPLE 6: RESPECT, PROTECT AND RESTORE THE ENVIRONMENT**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?	The Policy relating to respecting, protecting and restoring the Environment covers the Company and group. The Company ensures that it is implemented at all the levels.
2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	<p>The Company understands the global issue of climate change and has incorporated possible actions to address it. We have taken following initiatives towards mitigating the environmental impact, wherever feasible:</p> <p><b>Water conservation programmes:</b> The Company believes water is a critical resource and hence work towards minimizing its fresh water requirements through initiatives such as rain water harvesting, use of water efficient fixtures and sewage treatment plants.</p> <p><b>Bio fuel:</b> We are using bio briquettes as a fuel at our Indore plant as an alternative to conventional fuel such as diesel/piped natural gas (PNG). Bio briquettes are also used for generating heat for manufacturing process in one of the third party manufacturing location.</p> <p><b>Solar Power:</b> We are using the solar power at Indore plant. During the financial year 2021-22, almost 27.15% of power need of Indore plant has been fulfilled by solar power.</p> <p><b>LED lightings:</b> We use LED light fixtures, thereby conserving energy, year by year.</p> <p><b>Collection and disposal of empty multi-layer plastic packets of products:</b> Collection and disposal of empty multi-layer plastic packets of products through various approved NGOs.</p>
3. Does the company identify and assess potential environmental risks? Y/N	Yes. The Company has identified and regularly assess the potential impacts of its operations on the environment.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No.
5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.	Yes. The Company has taken various initiatives on clean technology, energy efficiency, renewable energy etc., to reduce its impact on the environment. The details of initiatives taken for conservation of energy are given in Annexure-V of Board's Report and the same is uploaded on the website of the Company and can be accessed through the web link <a href="http://www.yellowdiamond.in/investor-relations/">http://www.yellowdiamond.in/investor-relations/</a>
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.
7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.	No show cause/legal notices received from CPCB/SPCB and pending as on end of the financial year 2021-22.

**PRINCIPLE 7: RESPONSIBLE AND TRANSPARENT POLICY ADVOCACY**

- |   |  |
|---|--|
| 1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:  | The Company is a member of:<br>i) SNAC International<br>ii) Federation of Sweets & Namkeen Manufacturers   |
| 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | The Company has been actively participating in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders. |

**PRINCIPLE 8: SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

- |   |   |
|---|---|
| 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.              | The Company is continuously engaged in Corporate Social Responsibility (CSR) programmes/activities which creates sustainable livelihoods, especially amongst the weaker section of the society. The Company works with a clear goal to give back to the society in such a way that the needs of the weaker sections are met and improvements are made in the quality of their lives. The report on the CSR projects/activities carried out by the Company is annexed with the Board's Report. Kindly refer Annexure-II of Board's Report. |
| 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?                | Programmes/projects/activities are undertaken through trusts and societies and also directly by the Company.  |
| 3. Have you done any impact assessment of your initiative?  | The Company internally assess the impact of the CSR projects/ programmes/activities undertaken. An update on the CSR project/programmes/activities is placed at the Board and CSR Committee meetings.   |
| 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.                | The Company has spent ₹ 93.00 lakhs on CSR activities. For projects/activities details, kindly refer Annexure-II of Board's Report.   |
| 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. | Yes. The CSR projects and programmes are undertaken after identifying the communities that require development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively.   |



**PRINCIPLE 9: PROVIDE VALUE TO CUSTOMERS/CONSUMERS IN A RESPONSIBLE MANNER**

<p>1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year</p>	<p>A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through e-mail, telephone, website, social media, feedback forms etc. All complaints are appropriately addressed and all efforts are taken to resolve the same. As on the end of the financial year, there was negligible percentage of unresolved customer complaints. Further, there are no consumer cases pending as on end of the financial year 2021-22.</p>
<p>2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)</p>	<p>Yes. The Company displays product information on the products label. The Company also has a website, which provides information of its products i.e. <a href="http://www.yellowdiamond.in">www.yellowdiamond.in</a>.</p>
<p>3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of the financial year. If so, provide details thereof, in about 50 words or so.</p>	<p>No case has been filed against the Company for unfair trade practices, irresponsible advertising and anti-competitive behavior during the last five years and pending as on end of the financial year.</p>
<p>4. Did your company carry out any consumer survey/consumer satisfaction trends?</p>	<p>Yes. Consumer satisfaction surveys are being conducted periodically to assess the consumer satisfaction levels and consumer's trends.</p>

# Report on Corporate Governance

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

## COMPANY PHILOSOPHY:

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

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

- a) Appropriate composition and size of the Board, with each member bringing expertise in their respective domains;
- b) Availability of information to the members of the Board and its Committees to enable them to discharge their fiduciary duties;
- c) Ethical conduct of Board, Senior Management and Employees; and
- d) Timely and accurate disclosure of material information to the stakeholders.

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

## BOARD OF DIRECTORS:

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

As on 31<sup>st</sup> March, 2022, the Board of Directors of your Company comprised of eight (8) Directors. The Board has an optimum combination of executive and non-executive directors including one woman independent director. Out of total eight (8), three (3) are Executive Directors, one (1) is Non-Executive Nominee Director and four (4) are Independent Directors. As the Chairman of the Board is not a regular non-executive director, the requirement of atleast half of the Board of Directors comprising of independent directors is also met. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

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

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

Name of the Director	Category	Attendance Particulars		Number of other Board of directors or committees in which director is a member or chairperson			Name of other listed companies and category of directorship
		Board Meeting	Last AGM	Directorship in other companies	Committee membership in other companies	Committee chairpersonship in other companies	
Mr. Arvind Mehta Chairman and Executive Director	Promoter, Executive	4	Yes	1	Nil	Nil	Nil
Mr. Amit Kumat Managing Director and Chief Executive Officer	Promoter, Executive	5	Yes	1	1	Nil	Nil
Mr. Apoorva Kumat Executive Director (Operations)	Promoter, Executive	5	Yes	1	Nil	Nil	Nil
Mr. G.V. Ravishankar**	Non-Executive, Nominee (Sequoia Capital, equity investor)	5	No	3	1	Nil	Indigo Paints Limited (Non-Executive, Nominee)  Go Fashion (India) Limited (Non-Executive, Nominee)
Mrs. Anisha Motwani	Non-Executive, Independent	5	No	9	5	1	Abbott India Limited (Non-Executive, Independent)  Welspun India Limited (Non-Executive, Independent)  Somany Home Innovation Limited (Non-Executive, Independent)  Star Health and Allied Insurance Company Limited (Non-Executive, Independent)
Mr. Vineet Kumar Kapila	Non-Executive, Independent	5	No	Nil	Nil	Nil	Nil
Mr. Chetan Kumar Mathur	Non-Executive, Independent	5	Yes	Nil	Nil	Nil	Nil
Mr. V.T. Bharadwaj	Non-Executive, Independent	5	Yes	1	1	1	Nil
Mr. Haresh Ram Chawla*	Non-Executive, Independent	1	N.A.	N.A.	N.A.	N.A.	N.A.

**Notes:**

- Directorship in other companies exclude directorship in private limited companies, foreign companies and section 8 companies.
- Committee membership/chairpersonship in other companies only includes Audit Committee and Stakeholders Relationship Committee in Indian public limited companies other than Prataap Snacks Limited.
- None of the Independent Directors of the Company served as an Independent Director in more than 7 listed companies.
- Brief profile of the Directors are available on the Company's website: [www.yellowdiamond.in](http://www.yellowdiamond.in).
- \*Mr. Haresh Ram Chawla (Non – Executive, Independent Director) has resigned from the Board of Directors of the Company with effect from 15<sup>th</sup> June, 2021.
- \*\*The Board in its meeting held on 20<sup>th</sup> May, 2022 has appointed Mr. Bharat Singh (DIN: 08222884) as an Alternate Director (Non-Executive, Nominee Director) for Mr. G.V. Ravishankar (DIN: 02604007), Non-Executive, Nominee Director of the Company. Mr. Bharat Singh shall hold office as such upto the tenure of Mr. G.V. Ravishankar or till the time he returns to India, whichever is earlier.

### Relationship between Director inter-se

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

### Share and Convertible instruments held by Non-Executive Directors

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

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

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

Based on the declarations received from all Independent Directors, the Board in its meeting held on 20<sup>th</sup> May, 2022 have confirmed that in its opinion, the Independent Directors of the Company have fulfilled the criteria of independence specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management.

Mr. Haresh Ram Chawla (DIN: 00029828), Independent Director of the Company has resigned from the Board of Directors of

the Company with effect from 15<sup>th</sup> June, 2021 due to personal reasons and family commitments. Mr. Chawla has confirmed that there is no other material reasons for his resignation other than those mentioned above.

In accordance with Regulation 36(3) of the Listing Regulations, the brief resume and other information/details of Director to be re-appointed at the ensuing 13<sup>th</sup> Annual General Meeting (AGM) of the Company is given in the AGM Notice.

## BOARD MEETINGS:

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

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year ended 31<sup>st</sup> March, 2022, five (5) Board meetings were held on 28<sup>th</sup> May, 2021, 03<sup>rd</sup> August, 2021, 29<sup>th</sup> September, 2021, 11<sup>th</sup> November, 2021 and 04<sup>th</sup> February, 2022. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days, as stipulated under Section 173(1) of the Companies Act, 2013, Regulation 17(2) of the Listing Regulations and the Secretarial Standard (SS-1) issued by the Institute of Company Secretaries of India.

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

### Familiarisation Programme for Independent Directors

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

## Independent Directors Meeting

During the year under review, a separate meeting of Independent Directors was held on 28<sup>th</sup> May, 2021, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and Board of Directors, as a whole;
- Review of the performance of the Chairman of the Company, taking into account the views of the Non-Executive Directors; and
- Assessment of the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors, that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors of the Company were present in the meeting.

## COMMITTEES OF THE BOARD:

The Company has following Board level committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

## AUDIT COMMITTEE:

The Audit Committee constituted by the Board of the Company is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the financial year ended 31<sup>st</sup> March, 2022, six (6) Audit Committee meetings were held on 28<sup>th</sup> May, 2021, 30<sup>th</sup> June, 2021, 03<sup>rd</sup> August, 2021, 29<sup>th</sup> September, 2021, 11<sup>th</sup> November, 2021 and 04<sup>th</sup> February, 2022. The maximum gap between the two meetings was not more than 120 days as stipulated under Regulation 18(2) of the Listing Regulations.

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

Name of the Member	Designation	No. of Meetings attended
Mr. Chetan Kumar Mathur	Chairman	6
Mr. G.V. Ravishankar	Member	6
Mrs. Anisha Motwani	Member	6
Mr. Vineet Kumar Kapila	Member	6

Note:

Mr. Bharat Singh (Alternate Director for Mr. G.V. Ravishankar) has been appointed as a Member of the Audit Committee with effect from 20<sup>th</sup> May, 2022. Mr. Bharat Singh shall be a member of the Audit Committee upto the tenure of Mr. G.V. Ravishankar or till the time he returns to India, whichever is earlier.

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

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

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

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

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report.
- (v) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- (vi) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up thereon;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- (xviii) To review the functioning of the Vigil mechanism/Whistle Blower policy;
- (xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate;
- (xx) Reviewing the utilization of loans and/or advances from investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- (xxi) In case of resignation of statutory auditor of the Company/material subsidiary:
- In case of any concern with the management of the Company/material subsidiary, such as non-availability of information/non-cooperation by the management which may hamper the audit process, the auditor shall approach the Chairman of the Audit Committee of the Company and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meeting;
  - In case the auditor proposes to resign, to review and deliberate all concerns with respect to the proposed resignation, alongwith relevant documents which brought to the notice of the Audit Committee and communicate its views to the management and the auditor as soon as possible, but not later than the date of the next Audit Committee meeting;
- (xxii) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
- (xxiii) Carrying out such other function as may be delegated by the Board from time to time or specified in the circular, notification issued by SEBI, from time to time or provided under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

### NOMINATION AND REMUNERATION COMMITTEE:

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

During the financial year ended 31<sup>st</sup> March, 2022, five (5) Nomination and Remuneration Committee meetings were held on 28<sup>th</sup> May, 2021, 03<sup>rd</sup> August, 2021, 29<sup>th</sup> September, 2021,

11<sup>th</sup> November, 2021 and 04<sup>th</sup> February, 2022. The composition of the Nomination and Remuneration Committee and the details of meetings attended by the members thereof are given below:

Name of the Member	Designation	No. of Meetings attended
Mr. V.T. Bharadwaj	Chairman	5
Mr. G.V. Ravishankar (upto 20.05.2022)	Member	5
Mr. Vineet Kumar Kapila	Member	5
Mr. Chetan Kumar Mathur	Member	5
Mr. Arvind Mehta (w.e.f. 20.05.2022)	Member	N.A.

Note:

Mr. Arvind Mehta has been appointed as a Member of the Nomination and Remuneration Committee with effect from 20<sup>th</sup> May, 2022 and Mr. G.V. Ravishankar was a Member of the Nomination and Remuneration Committee upto 20<sup>th</sup> May, 2022.

The Company Secretary of the Company acts as the Secretary to the Committee. The minutes of Committee meeting are placed before the Board for noting. The Terms of Reference of the Nomination and Remuneration Committee include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;

- (vi) Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors;
- (vii) Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
- (viii) Carrying out such other function as may be delegated by the Board from time to time or as provided in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

### Performance Evaluation of Board, Committees and Directors

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

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

The structured evaluation process was focused on identifying areas of improvement, if any, such as creating balance of power between the Board and management, long term strategy, more effectively fulfilling the Board's oversight responsibilities,

the adequacy of committee(s) structures, assessment of Board culture to ascertain whether the same is conducive to attract right individuals to join the Board and updating the evaluation process itself. The Directors expressed their satisfaction with the evaluation process.

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

During the financial year ended 31<sup>st</sup> March, 2021, two (2) Stakeholders Relationship Committee meetings were held on 03<sup>rd</sup> August, 2021 and 04<sup>th</sup> February, 2022. The minutes of Committee Meeting are placed before the Board for noting.

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

Name of the Member	Designation	No. of Meetings attended
Mr. V.T. Bharadwaj	Chairman	2
Mr. Arvind Mehta	Member	2
Mr. Amit Kumat (w.e.f. 11.11.2021)	Member	1
Mrs. Anisha Motwani (upto 03.08.2021)	Member	1
Mr. Vineet Kumar Kapila	Member	2
Mr. Haresh Ram Chawla (upto 15.06.2021)	Member	Nil

Notes:

- Mr. Amit Kumat has been appointed as a Member of the Stakeholders Relationship Committee with effect from 11<sup>th</sup> November, 2021.
- Mrs. Anisha Motwani was a Member of the Stakeholders Relationship Committee upto 3<sup>rd</sup> August, 2021.
- Mr. Haresh Ram Chawla, Member of the Stakeholders Relationship Committee resigned from the Company with effect from 15<sup>th</sup> June, 2021.

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

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings etc.;



2. Investigating complaints relating to allotment of shares, approval of transmission of shares or any other securities;
3. Issue of duplicate share certificate and new share certificates on split/consolidation/renewal etc.;
4. Review of measures taken for effective exercise of voting rights by shareholders;
5. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Share Transfer Agent;
6. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company;
7. Review and resolve the grievances/complaints of super stockiest, retailers and consumers of the Company; and
8. Carrying out such other function as may be delegated by the Board from time to time or as provided in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

#### Name, designation and address of the Compliance Officer

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

#### Details of shareholders/investors complaints

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

The details of shareholders/investors complaint is as under:

Complaint outstanding as on 1 <sup>st</sup> April, 2021	:	1
Compliant received during the financial year ended 31 <sup>st</sup> March, 2022	:	2
Compliant resolved during the financial year ended 31 <sup>st</sup> March, 2022	:	3
Complaint outstanding as on 31 <sup>st</sup> March, 2022	:	0

No request for transfer was pending for approval as on 31<sup>st</sup> March, 2022.

#### RISK MANAGEMENT COMMITTEE:

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

During the financial year ended 31<sup>st</sup> March, 2022, four (4) Risk Management Committee meetings were held on 28<sup>th</sup> May, 2021, 03<sup>rd</sup> August, 2021, 11<sup>th</sup> November, 2021 and 04<sup>th</sup> February, 2022. The minutes of Committee meeting are placed before the Board for noting.

The composition of the Risk Management Committee and the details of meeting attended by the members thereof are given below:

Name of the Member	Designation	No. of Meetings attended
Mr. Chetan Kumar Mathur	Chairman	4
Mr. G.V. Ravishankar	Member	4
Mr. Amit Kumart	Member	4
Mrs. Anisha Motwani (w.e.f. 03.08.2021)	Member	2
Mr. Haresh Ram Chawla (upto 15.06.2021)	Member	1

Notes:

1. Mrs. Anisha Motwani has been appointed as a Member of the Risk Management Committee with effect from 3<sup>rd</sup> August, 2021.
2. Mr. Haresh Ram Chawla, Member of the Risk Management Committee resigned from the Company with effect from 15<sup>th</sup> June, 2021.
3. Mr. Bharat Singh (Alternate Director for Mr. G.V. Ravishankar) has been appointed as a Member of the Risk Management Committee with effect from 20<sup>th</sup> May, 2022. Mr. Bharat Singh shall be a member of the Risk Management Committee upto the tenure of Mr. G.V. Ravishankar or till the time he returns to India, whichever is earlier.

The Terms of Reference of Risk Management Committee include the following:

1. Formulate a detailed Risk Management Policy of the Company which shall include:
  - (a) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

- (b) measures for risk mitigation including systems and processes for internal control of identified risks;
- (c) Business continuity plan;
2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
  3. Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
  4. Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
  5. Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
  6. Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) of the Company;
  7. Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if consider necessary; and
  8. Carrying out such other function as may be delegated by the Board from time to time or specified in the circular, notification issued by SEBI, from time to time or provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility Committee is constituted by the Board of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the financial year ended 31<sup>st</sup> March, 2022, two (2) Corporate Social Responsibility Committee meetings were held on 28<sup>th</sup> May, 2021 and 04<sup>th</sup> February, 2022. The minutes of Committee Meeting are placed before the Board for noting.

The composition of the Corporate Social Responsibility Committee and the details of meeting attended by the members thereof are given below:

Name of the Member	Designation	No. of Meetings attended
Mrs. Anisha Motwani	Chairperson	2
Mr. Arvind Mehta	Member	2
Mr. Amit Kumat	Member	2
Mr. V.T. Bharadwaj	Member	2
Mr. Hareesh Ram Chawla (upto 15.06.2021)	Member	1

Note:

Mr. Hareesh Ram Chawla, Member of the Committee resigned from the Company with effect from 15<sup>th</sup> June, 2021.

The Company Secretary of the Company acts as the Secretary to the Committee. The Terms of Reference of Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and as amended from time to time or as per any circulars, notifications etc. issued by the government in relation thereto from time to time;
2. Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time;
4. Ensure the compliance of the Company with respect of CSR provisions as per the applicable laws of the land; and
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### **REMUNERATION**

##### **1. Remuneration to Independent Directors and Non-Executive Directors**

The Independent Directors are paid remuneration by way of sitting fees and commission. The Independent Directors are paid sitting fees for each meeting of the Board and its Committees attended by them. The commission is paid to the Independent Directors based on the performance of the Company and within the permissible limit prescribed

under the Companies Act, 2013 and Listing Regulations. Mr. G.V. Ravishankar, Non - Executive Director do not have any pecuniary relationship or transactions with the Company. Further, apart from receiving remuneration by way of sitting fees and commission, no Independent Director have any pecuniary relationship or transactions with the Company.

## 2. Remuneration to Executive Directors

The appointment and remuneration of Chairman and Executive Director, Managing Director and Chief Executive Officer and Executive Director (Operations) is governed by the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and

Shareholders of the Company. The remuneration of Chairman and Executive Director, Managing Director and Chief Executive Officer and Executive Director (Operations) comprises of salary, perquisites and other retirement benefits. Annual increments are linked to performance and approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee.

The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy of the Company is uploaded on the Company's website viz. [www.yellowdiamond.in](http://www.yellowdiamond.in).

### Remuneration of Directors for the year ended 31<sup>st</sup> March, 2022:

#### a. Non-Executive and Independent Directors

(₹ in lakhs)

Name of Director	Category	Sitting fees paid for FY 2021-22	Commission payable for FY 2021-22*
Mr. G.V. Ravishankar	Non-Executive Director	Nil	Nil
Mr. V.T. Bharadwaj	Independent Director	8.12	4.50
Mrs. Anisha Motwani	Independent Director	8.60	4.50
Mr. Vineet Kumar Kapila	Independent Director	9.20	4.50
Mr. Chetan Kumar Mathur	Independent Director	10.16	4.50
Mr. Haresh Ram Chawla** (upto 15.06.2021)	Independent Director	1.60	(0.50)

#### Notes:

- \*The Board in its meeting held on 20<sup>th</sup> May, 2022 has approved the commission of ₹ 5.00 lakhs for each Independent Director for the financial year 2021-22. Further, the Board in its meeting held on 28<sup>th</sup> May, 2021 had approved the commission of ₹ 4.50 lakhs for each Independent Director for the financial year 2020-21. However, a provision of ₹ 5.00 lakhs for each Independent Director was made in the financial statements, hence the difference of ₹ 0.50 lakhs has been adjusted against each Independent Director in the above commission for the financial year 2021-22, which will be paid in the financial year 2022-23.
- \*\*Mr. Haresh Ram Chawla, Independent Director resigned from the Company with effect from 15<sup>th</sup> June, 2021.

#### b. Executive Directors

Particulars	Mr. Arvind Mehta Chairman and Executive Director	Mr. Amit Kumat Managing Director and Chief Executive Officer	Mr. Apoorva Kumat Executive Director (Operations)
Terms of Appointment	For a period of 5 years from 23 <sup>rd</sup> September, 2021 to 22 <sup>nd</sup> September, 2026.	For a period of 5 years from 23 <sup>rd</sup> September, 2021 to 22 <sup>nd</sup> September, 2026.	For a period of 5 years from 02 <sup>nd</sup> November, 2021 to 01 <sup>st</sup> November, 2026.
Salary (₹ in lakhs)	82.50	82.50	82.50
Bonus	Nil	Nil	Nil
Performance link incentive	Nil	Nil	Nil
Stock options	Nil	Nil	Nil
Perquisites	Nil	Nil	Nil
Minimum Remuneration	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits in accordance with the governing provisions of the Companies Act, 2013 in the event of inadequacy/absence of profits.	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits in accordance with the governing provisions of the Companies Act, 2013 in the event of inadequacy/absence of profits.	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits in accordance with the governing provisions of the Companies Act, 2013 in the event of inadequacy/absence of profits.

**GENERAL BODY MEETINGS:**

Location and time, where last three Annual General Meetings of the Company were held and details of special resolution passed (if any):

Date & Time	Venue of the Meeting	Details of Special Resolution Passed
05 <sup>th</sup> August, 2021 3:30 p.m. IST	Meeting held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).  Registered Office of the Company (deemed venue of the AGM): Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India	1. Re - appointment of Mr. Chetan Kumar Mathur as an Independent Director of the Company.  2. Re - appointment of Mr. Arvind Mehta as an Executive Director of the Company.  3. Re - appointment of Mr. Amit Kumat as Managing Director and Chief Executive Officer of the Company.  4. Re - appointment of Mr. Apoorva Kumat as an Executive Director (Operations) of the Company.
18 <sup>th</sup> September, 2020 3:30 p.m. IST	Meeting held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).  Registered Office of the Company (deemed venue of the AGM): Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India	No special resolution was passed in the meeting.
27 <sup>th</sup> September, 2019 1:30 p.m.	Registered Office of the Company: Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India	Adoption of new set of Articles of Association of the Company in the form specified in Table F in Schedule I of the Companies Act, 2013.

**POSTAL BALLOT:**

No resolution was passed through postal ballot during the year 2021-22. Further, no special resolution is proposed to be conducted through postal ballot.

**MEANS OF COMMUNICATION**

(a) Quarterly Results	:	Quarterly results are approved by the Board of Directors and filed with Stock Exchanges as per requirements of the Listing Regulations.
(b) Newspapers wherein results are normally published	:	English Newspaper - The Free Press Journal Vernacular Newspaper - Dabang Duniya
(c) Any website, where results are displayed	:	www.yellowdiamond.in
(d) Whether the website also displays		
(i) official news releases	:	Yes
(ii) presentations made to institutional investors or to the analysts	:	Yes

**GENERAL SHAREHOLDER INFORMATION**

<b>Annual General Meeting</b>	
Date, Time and Venue:	3 <sup>rd</sup> August, 2022 at 3:30 P.M. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM)
<b>Financial Year</b>	Begins on 1 <sup>st</sup> April and ends on 31 <sup>st</sup> March of the following year
<b>Financial Calendar (2021-22):</b> (tentative)	
<b>Quarterly Financial Results:</b>	
ending 30 <sup>th</sup> June, 2022	In or before second week of August, 2022
ending 30 <sup>th</sup> September, 2022	In or before second week of November, 2022
ending 31 <sup>st</sup> December, 2022	In or before second week of February, 2023
ending 31 <sup>st</sup> March, 2023	In or before last week of May, 2023

<b>Book Closure date(s):</b>	28 <sup>th</sup> July, 2022 to 3 <sup>rd</sup> August, 2022 (both days inclusive)
<b>Dividend Payment date:</b>	On or before 1 <sup>st</sup> September, 2022
<b>Listing on Stock Exchanges:</b>	(a) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001
	(b) National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
The Company has timely paid the Annual listing fees for the financial year 2021-22 to BSE and NSE.	
<b>Stock Codes:</b>	540724 (BSE) DIAMONDYD (NSE)
<b>Demat ISIN Number for NSDL &amp; CDSL:</b>	INE393P01035

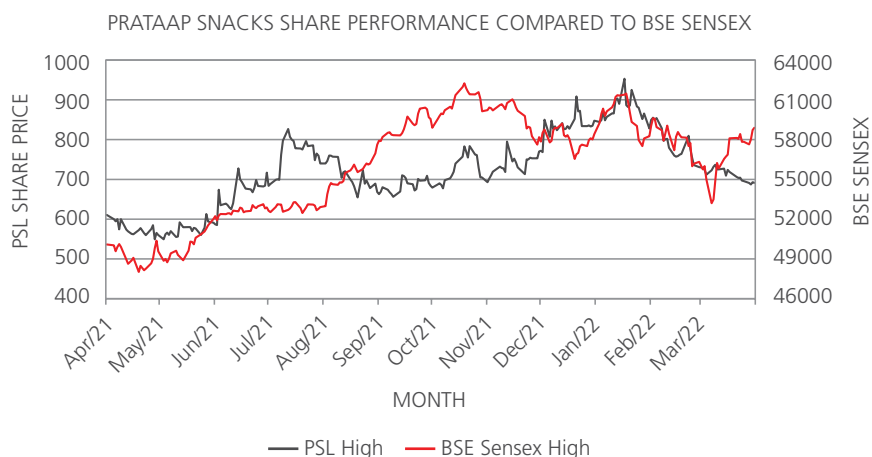
### Stock Market Data

Monthly high and low price and volume of equity shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

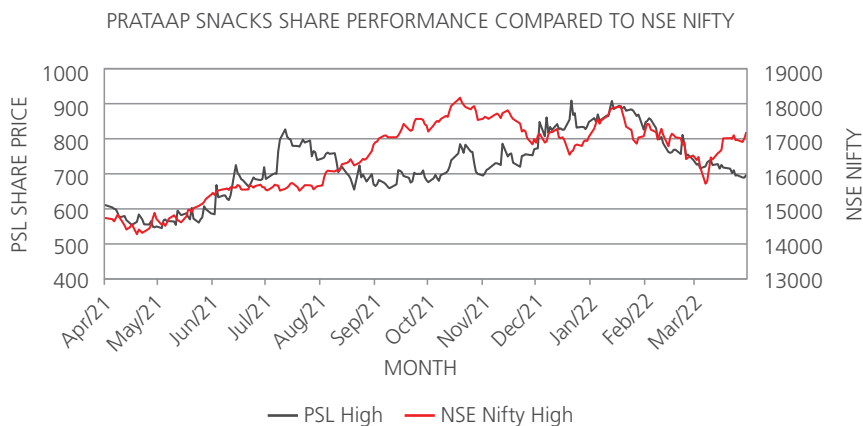
Month	BSE			NSE		
	High (₹)	Low (₹)	Monthly Volume (In Nos.)	High (₹)	Low (₹)	Monthly Volume (In Nos.)
April, 2021	610.65	484.65	18,209	611.00	535.00	1,48,276
May, 2021	613.00	533.00	38,708	607.25	522.05	4,22,793
June, 2021	727.65	560.15	1,90,254	719.00	567.05	14,88,567
July, 2021	826.50	660.00	3,74,975	826.95	658.55	36,88,303
August, 2021	760.00	614.95	1,30,439	760.45	613.95	8,89,906
September, 2021	710.35	643.30	42,122	710.55	638.00	3,11,525
October, 2021	783.55	659.05	1,03,924	784.45	662.00	5,10,387
November, 2021	795.00	678.95	82,547	786.00	674.10	7,74,425
December, 2021	908.55	750.00	1,51,027	909.00	749.90	15,09,072
January, 2022	953.00	810.00	58,059	908.00	812.30	5,18,931
February, 2022	855.05	692.70	29,626	858.50	682.30	3,77,197
March, 2022	736.85	667.30	17,326	738.80	667.00	3,29,731

### Share price performance in comparison to broad based indices

#### a. Share price performance in comparison to broad based indices - BSE Sensex:



## b) Share price performance in comparison to broad based indices – NSE Nifty:



### Share Transfer Agent:

KFin Technologies Limited  
 (formerly known as KFin Technologies Private Limited)  
 Selenium Building, Tower - B, Plot No. 31 & 32,  
 Financial District, Nanakramguda, Serilingampally,  
 Hyderabad - 500032, Telangana, India  
 Toll Free No.: 18003454001  
 Tel.: (91 40) 67162222, 79611000  
 E-mail: einward.ris@kfintech.com

### Share Transfer System

All matters pertaining to share transfer and related activities are handled by the Share Transfer Agent of the Company who are fully equipped to carry out the transfers of shares. In case of shares in electronic form, the transfer are processed by NSDL/CDSL through respective depository participants. The request for dematerialisation of equity shares is confirmed/rejected within an average period of fifteen days. Transmission requests were processed for shares held in dematerialised form and physical form within seven days and twenty one days, respectively, after receipt of specified documents, complete in all respect and dispatch of share certificates in physical form were generally completed within thirty days.

As per amended Regulation 40 of the Listing Regulations, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialised form with a depository. Further, the shares shall be issued in dematerialised form only while processing the request for transmission, transposition, duplicate, renewal/exchange, sub-division/splitting, consolidation of share certificate etc. as provided in Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 issued by the Securities and Exchange Board of India.

The Company obtains from Company Secretary in practice a yearly certificate of compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations and file the same with stock exchanges.

### Distribution of shareholding as on 31<sup>st</sup> March, 2022

Number of equity shares held	Number of shareholders	% of shareholders	Number of equity shares held	% of shareholding
1 - 5,000	14,057	99.32	12,47,577	5.32
5,001 - 10,000	30	0.21	2,26,203	0.96
10,001 - 20,000	27	0.19	3,95,791	1.69
20,001 - 30,000	4	0.03	89,767	0.38
30,001 - 40,000	2	0.01	70,000	0.30
40,001 - 50,000	2	0.01	85,498	0.36
50,001 - 1,00,000	7	0.05	4,89,432	2.09
1,00,001 and above	24	0.17	2,08,48,768	88.90
<b>Grand Total</b>	<b>14,153</b>	<b>100.00</b>	<b>2,34,53,036</b>	<b>100.00</b>

**Shareholding pattern as on 31<sup>st</sup> March, 2022**

Shareholders	No. of shares held	% of Holding
Promoter and Promoter Group	1,67,67,462	71.49
Mutual Funds	19,87,274	8.47
Foreign Portfolio Investors	11,40,275	4.86
Resident Individual HUF, Trust	19,99,060	8.52
Alternative Investment Fund	7,81,341	3.33
Foreign Corporate Bodies	4,26,439	1.82
Corporate Bodies	2,58,901	1.10
Non-Resident Individual	92,284	0.39
Bank, Financial Institution	0	0.00
<b>Total</b>	<b>2,34,53,036</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity:**

2,34,51,653 equity shares representing 99.99% of the total issued and listed equity share capital of the Company are held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31<sup>st</sup> March, 2022.

**Outstanding GDR/ADR/Warrants or any Convertible instruments, conversion date and likely impact on equity:**

There are no GDRs/ADRs/Warrants or Convertible instruments outstanding as on 31<sup>st</sup> March, 2022.

**Commodity price risk or foreign exchange risk and hedging activities:**
**(i) Commodity price risk and hedging activities**

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, no disclosure in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated 15<sup>th</sup> November, 2018.

**(ii) Foreign exchange risk and hedging activities**

During the year ended 31<sup>st</sup> March, 2022, the foreign exchange exposure of the Company is nominal. The Company's management oversees the management of the risk. The details of foreign currency exposure are provided in Note No. 48 of Notes to standalone financial statements.

**Credit ratings**

During the year ended 31<sup>st</sup> March, 2022, ICRA Limited has assigned a long-term rating of [ICRA] A+ to the bank facilities of ₹ 42 crore and reaffirmed the long-term rating of [ICRA] A+ assigned earlier to the ₹ 58 crore bank facilities of the Company. The Outlook of the long-term rating is Stable. The facility wise ratings are as under:

**Instrument details:**

Sr. No.	Credit Facility	Amount (₹ in crore)	Rating
<b>Rated on Long Term scale</b>			
1.	Cash Credit	35.00	[ICRA]A+ (Stable)
2.	Cash Credit	25.00	[ICRA]A+ (Stable)
3.	Cash Credit	20.00	[ICRA]A+ (Stable)
4.	Cash Credit	18.00	[ICRA]A+ (Stable)
5.	Unallocated	2.00	[ICRA]A+ (Stable)
<b>Total</b>		<b>100.00</b>	

**Dividend**

The Board of Directors in their meeting held on 20<sup>th</sup> May, 2022 has recommended dividend of 10% on equity shares of ₹ 5/- each of the Company (i.e. INR 0.50 per equity share), subject to approval of the members at the ensuing 13<sup>th</sup> Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2022.

**Unclaimed dividend**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any, to the Investor Education and Protection Fund ('IEPF'), a fund established under sub-section (1) of Section 125 of the Companies Act, 2013. During the year ended 31<sup>st</sup> March, 2022, no amount was transferred to IEPF, as there was no unpaid/unclaimed dividend for a period of seven years or more.

**Demat suspense account/Unclaimed suspense account**

The disclosure with respect to demat suspense account/unclaimed suspense account is not applicable as there are no shares issued pursuant to the public issue or any other issue, physical or otherwise, remain unclaimed and/or lying in the escrow account.

**Plant locations**

State	Address
<b>Owned location</b>	
Madhya Pradesh	1. Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh
	2. Survey No. 65/2, 66/1, 67/2, Gram Piplyalohar, Tehsil Mhow, Indore – 453441, Madhya Pradesh
Assam	1. North Guwahati, IOC Road, Main Road, Gauripur, Near Gauripur Thana, Amingaon, Kamrup, Guwahati - 781031, Assam
	2. Plot No. 40-41, Brahmaputra Industrial Park, Amingaon Guwahati -781031, Assam

State	Address
	<b>Owned location</b>
Karnataka	No. 260, Bommasandra Jigani Link Road, Jigani Hobli, Anekal Taluk, Bengaluru (Bangalore Urban) - 560105, Karnataka
West Bengal	Plot No. 5511, 5512 and 5513, Mouza - New Kolorah, Police Station - Domjur, Howrah 711302, West Bengal*
	<b>Other location</b>
Karnataka	1. Industrial Area, Vasanathnarsapur Kora Hobli No. 26 B Tumkur - 572138, Karnataka 2. No.44/2, Kothanur Dinne, SOS College Bannerghatta Road, Near B.K. Circle Bus Stop, J.P. Nagar, 8 <sup>th</sup> Phase, Bengaluru - 560076, Karnataka
West Bengal	Chakundi Dankuni, Hooghly - 712310, West Bengal
Haryana	1. Plot No. 3-4, Sukan Vihar, Delhi Road, Hisar - 125001, Haryana 2. Plot No.36,39,40,41, Agro Park, Kunjpura, Karnal - 132023, Haryana
Bihar	Plot No. 397, 406, 407, Pitambarpur Bhika, Fatwah, Patna – 803201, Bihar
Uttar Pradesh	Arazi No. 385/A, Rajaswa Gram, Chachendi Sachendi-1, Kanpur - 209304, Uttar Pradesh

\*Not in operation due to fire accident on 3<sup>rd</sup> November, 2021.

#### Address for correspondence

Compliance Officer	Share Transfer Agent	Correspondence with the Company
Mr. Om Prakash Pandey Company Secretary and Compliance Officer Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India Tel.: +91 731 2439911 E-mail: complianceofficer@yellowdiamond.in	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium Building, Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana, India Toll Free No.: 18003454001 Tel.: (91 40) 67162222, 79611000 E-mail: einward.ris@kfintech.com	Prataap Snacks Limited Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India Tel.: +91 731 2439999 E-mail: complianceofficer@yellowdiamond.in

#### OTHER DISCLOSURES:

- There were no material significant related party transactions during the financial year 2021-22 which are considered to have potential conflict with the interests of the Company at large. Particulars and nature of transactions with the related parties entered into during the year ended 31<sup>st</sup> March, 2022, are disclosed in compliance with the "Ind AS" on Related Party Disclosure in Note No. 40 of Notes to standalone financial statements.
- The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authority on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities on matter relating to capital markets.
- The Company has adopted a Vigil Mechanism/Whistle Blower Policy for developing a culture where it is safe for all directors/employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee. The quarterly report with number of complaints received, if any, under the Policy and details thereof alongwith outcome is placed before the Audit Committee.
- The Company has complied with all the mandatory requirements as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations to the extent applicable to the Company. The Company has presently not adopted the discretionary requirement of sending half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders. However, discretionary requirements viz. regime of financial statements with unmodified audit opinion and internal auditor may directly report to the Audit Committee are complied with. The discretionary requirement of maintenance of non-executive chairperson's office is not applicable.
- The Company has formulated a policy for determining material subsidiary of the Company. The said Policy is available on the website of the Company and can be accessed through web link <http://www.yellowdiamond.in/wp-content/uploads/2021/06/Policy-for-determining-material-subsiary.pdf>
- The Company has formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. The said Policy is available on the website of the Company and can be accessed through web link



<http://www.yellowdiamond.in/wp-content/uploads/2018/01/Policy-on-Materiality-of-Related-Party-Transactions-and-on-Dealing-with-Related-Party-Transactions-1.pdf>

- (g) The Company has not raised any fund through preferential allotment or qualified institutions placement, hence, the disclosure of details of utilisation of the fund as specified under Regulation 32(7A) of the Listing Regulations is not applicable.
- (h) The Company has obtained a Certificate from M/s. Ritesh Gupta & Co., Company Secretaries in practice certifying that none of the Directors on the Board of the Company for the year ended 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.
- (i) During the year ended 31<sup>st</sup> March, 2022, the Board had accepted all the recommendations of the Committees, which are mandatorily required.
- (j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to S R B C & CO LLP, the Statutory Auditor (till conclusion of 12<sup>th</sup> Annual General Meeting of the Company held on 5<sup>th</sup> August, 2021) and B S R & Co. LLP, the Statutory Auditor (from conclusion of 12<sup>th</sup> Annual General Meeting of the Company held on 5<sup>th</sup> August, 2021) and other firms in the network entity of which the Statutory Auditor is a part as included in the consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2022, is as follows:

i. S R B C & CO LLP

(₹ in lakhs)

Fees for audit and related services paid to S R B C & CO LLP and affiliates firms and to entities of the network of which the statutory auditor is a part	5.63	(excluding GST)
Other fees paid to S R B C & CO LLP and affiliates firms and to the entities of the network of which the statutory auditor is a part	Nil	

ii. B S R & Co. LLP

(₹ in lakhs)

Fees for audit and related services paid to B S R & Co. LLP and affiliates firms and to entities of the network of which the statutory auditor is a part	60.28	(excluding GST)
Other fees paid to B S R & Co. LLP and affiliates firms and to the entities of the network of which the statutory auditor is a part	7.21	(excluding GST)

- (k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year 2021-22 is as under:

- number of complaints filed during the financial year: Nil
- number of complaints disposed of during the financial year: Nil
- number of complaints pending as on end of the financial year: Nil

- (l) In preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the applicable Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No. 2.2 of Notes to financial statements.
- (m) The Company and its subsidiaries have not given loans and advances in the nature of loans to any firm/company in which the Directors are interested.
- (n) In accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director and Chief Executive Officer and Chief Financial Officer have furnished a duly signed Compliance Certificate to the Board of Directors for the year ended 31<sup>st</sup> March, 2022.
- (o) Under the Company's Code of Conduct for regulating, monitoring and reporting of trading in securities of the Company as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 2015, Mr. Om Prakash Pandey, Company Secretary and Compliance Officer has been designated as the Compliance Officer of the Company.

#### Disclosure of the compliance with Corporate Governance requirements

The disclosure of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations are given below:

Regulation	Particulars of Regulation	Compliance status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes

Regulation	Particulars of Regulation	Compliance status
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

#### Declaration by the Chief Executive Officer

The Managing Director and Chief Executive Officer of the Company has given a declaration that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended 31<sup>st</sup> March, 2022.

#### Compliance Certificate from Practicing Company Secretary

Mr. Ritesh Gupta, Proprietor of M/s. Ritesh Gupta & Co., Company Secretaries has certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

#### Compliance with Secretarial Standards

The Company has complied with Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

#### DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under Regulation 34(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Amit Kumat, Managing Director and Chief Executive Officer of the Company hereby declare that the members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for Board of Directors and Senior Management for the financial year ended 31<sup>st</sup> March, 2022.

For **Prataap Snacks Limited**

**Amit Kumat**

Managing Director and Chief Executive Officer

Place: Indore

Date: 20<sup>th</sup> May, 2022



## CEO AND CFO CERTIFICATE

To,  
The Board of Directors  
Prataap Snacks Limited  
Khasra No. 378/2, Nemawar Road,  
Near Makrand House, Palda,  
Indore – 452 020, Madhya Pradesh, India

### **Re: Compliance Certificate of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, Amit Kumat, Managing Director and Chief Executive Officer (CEO) and Sumit Sharma, Chief Financial Officer (CFO) of Prataap Snacks Limited hereby certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
- (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) there have been no significant changes in internal control over financial reporting during the year;
  - (2) the significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - (3) there have been no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Indore  
Date: 20<sup>th</sup> May, 2022

**Amit Kumat**  
Managing Director and Chief Executive Officer

**Sumit Sharma**  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Prataap Snacks Limited (CIN:L15311MP2009PLC021746)**, Registered Office at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India (hereinafter referred to as 'the Company') and produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN)) status at the MCA portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Arvind Mehta	00215183	12/05/2011
2.	Mr. Amit Kumart	02663687	12/05/2011
3.	Mr. Apoorva Kumart	02630764	02/11/2018
4.	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	02604007	12/05/2011
5.	Mrs. Anisha Motwani	06943493	05/07/2016
6.	Mr. Vineet Kumar Kapila	00056582	22/07/2016
7.	Mr. Chetan Kumar Mathur	00437558	07/08/2018
8.	Mr. Bharadwaj Thiruvnkata Venkatavaraghavan	02918495	02/11/2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the basis of my verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Indore  
Date: 20<sup>th</sup> May, 2022

**Ritesh Gupta**  
CP: 3764 | FCS:5200  
UDIN: F005200D000344363



## CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) and Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I have examined the compliance of conditions of Corporate Governance by **Prataap Snacks Limited** (hereinafter referred as "Company") for the financial year ended 31<sup>st</sup> March, 2022 as prescribed under Regulations 17 to 27, clauses (b) to (i) and (t) of sub regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review of procedures and implementation thereof by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Indore  
Date: 20<sup>th</sup> May, 2022

**Ritesh Gupta**  
CP:3764 | FCS:5200  
UDIN: F005200D000344418

# Independent Auditor's Report

To the Members of Prataap Snacks Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the standalone financial statements of Prataap Snacks Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Description of Key Audit Matter

#### Revenue Recognition

See note 2.2 and 28 to the standalone financial statements

#### The key audit matter

Revenue from the sale of goods is recognized when control is transferred to the customer and is measured net of discounts, rebates, incentives and other similar items (collectively 'discounts and rebates').

Significant estimation is involved in recognition and measurement of rebates and discounts. This includes estimating the amount of consideration to which the company will be entitled in exchange for transferring the goods to the customer based on historical experience and the specific terms of the scheme. This involves a risk of error in estimation, unrecorded accruals for variable consideration.

There is a risk of revenue being overstated because of fraud, resulting from the pressure local management may feel to achieve performance targets.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of revenue recognition accounting policy in accordance with relevant accounting standard including those relating to discounts and rebates.
- Tested the design, implementation and operating effectiveness of key internal controls over revenue recognition including anti-fraud controls, general IT controls and key IT application controls.
- Performed substantive testing by selecting samples using statistical sampling for revenue transactions recorded during the year by obtaining independent confirmations from customers or underlying documents like Invoices, Lorry Receipts, Customer acknowledgement etc.

**The key audit matter**

Revenue is also an important element of how the company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before control has been transferred.

Accordingly, we identified the revenue recognition including estimation of variable consideration as a key audit matter.

**How the matter was addressed in our audit**

- Performed test of specific revenue transactions recorded during the year end to determine that revenue is recognised in correct period.
- Performed substantive analytical procedures over revenue and discounts to identify unusual variances.
- Performed substantive testing over discounts and rebates including the following procedures:
  - a. For samples, read the terms of contract and incentive schemes as approved by authorized personnel
  - b. Evaluated the assumptions used in estimation of variable consideration by comparing with the past trends, actual claims etc.
  - c. Assessed the accuracy of prior period accruals for variable consideration by reference to actual claims presented by the customer.
- Examined the customer reconciliations performed by the management to determine completeness of balances recorded in the books.
- Obtained independent confirmations from sample customers and reconciled the balance with the amounts recorded in the books.
- Tested manual journal entries posted to revenue including discount and rebates which are unusual in nature.

**Measurement of deferred tax assets and MAT credit**

See note 2.2 and 22 to the standalone financial statements

**The key audit matter**

As at 31 March 2022, the Company has recognized a deferred tax asset (net) of ₹ 1,677.91 lakhs (including Minimum Alternate Tax (MAT) credit receivable of ₹ 1,767.54 lakhs).

Taxation Laws (Amendment) Act, 2019 (new tax regime) provides an option to pay income tax at reduced rates but opting for such concessional rates would result in loss of availability of MAT credit.

Deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse. The Company has measured its deferred tax balances basis expected financial year when the Company is likely to move to the new tax regime.

The measurement of MAT credit receivable and deferred tax balances involves estimation of the year of transition to the new tax regime which involves significant estimate of the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.

**How the matter was addressed in our audit**

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of Company's accounting policies with respect to recognition and measurement of deferred tax balances in accordance with relevant accounting standard.
- Obtained an understanding, tested the design, implementation and operating effectiveness of the internal controls over the measurement of deferred tax balances.
- Evaluated the reasonableness of the estimate of expected financial year when the Company is likely to move to the new tax regime by performing following key procedures:

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>a. Obtained management's evaluation of expected financial year when the Company is likely to move to the new tax regime.</li> <li>b. Involved our tax specialists to evaluate the Company's tax positions basis the tax law.</li> <li>c. Inspected the future business plans and approved financial projections</li> <li>d. Evaluated and challenged the key assumptions used in the financial projections based on historical data and economic and industry forecasts.</li> <li>e. Tested the determination of temporary differences which are expected to reverse before and after the date when the Company is expected to move to new tax regime.</li> </ul> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of disclosures in accordance with the requirements of relevant standard.</li> </ul>

## OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

## MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133

of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a



material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **OTHER MATTER**

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, as discussed in the Note 51 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 51 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- As stated in note 17 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

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

**Vikram Advani**

Partner

Membership No. 091765

UDIN : 22091765AJHMHX1572

Place: Indore

Date: 20 May 2022

# Annexure A

## to the Independent Auditor's Report on Standalone Financial Statements (Referred to in our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit, subsequent evidence of delivery/receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii) (b) of the Order is not applicable to the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to employees during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.

Particulars	Loans (in Lakhs)
Aggregate amount during the year	133.31
• Others	
Balance outstanding as at balance sheet date	76.60
• Others	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantees, given security, granted advances in the nature of loans during the year.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular as per agreed terms. Further, the Company has not given any advance in the nature of loan during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, the provisions of section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident Fund, Employees' State Insurance, Income Tax, Cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of Customs.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Nature of Statute	Nature of Dues	Amount (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates (FY)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	276.05	55.06	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	363.57	-	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	286.24	-	2019-20	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender. Further, the working capital loan amounting to ₹ 3,000 lakhs obtained during the year is repayable on demand. According to information and explanations given to us, such loan has not been demanded for repayment during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013. The company does not hold any investment in associate or joint venture.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under Companies Act, 2013. The company does not hold any investment in associate or joint venture.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have CICs as part of the Group. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on Companies (Auditor's Report) Order, 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

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

**Vikram Advani**

Partner

Place: Indore

Membership No. 091765

Date: 20 May 2022

UDIN : 22091765AJHMHX1572

# Annexure B

**to the Independent Auditor's report on the standalone financial statements of Prataap Snacks Limited for the period ended 31 March 2022**

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## OPINION

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

For **B S R & Co. LLP**

Chartered Accountants

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

**Vikram Advani**

Partner

Membership No. 091765

UDIN : 22091765AJHMHX1572

Place: Indore

Date: 20 May 2022



# Standalone Balance Sheet

	Notes	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>I ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipments	3	30,941.25	30,548.53
(b) Capital work-in-progress	3	1,379.86	2,077.04
(c) Intangible assets	4	152.30	144.59
(d) Financial assets			
(i) Investments	5	20,658.00	20,658.00
(ii) Loans	6	1,763.66	1,814.80
(iii) Other non-current financial assets	7	5,637.51	4,540.20
(e) Deferred tax assets (net)	22	1,677.91	1,206.63
(f) Other tax assets (net)	8	114.30	-
(g) Other non-current assets	9	645.39	339.67
<b>TOTAL NON-CURRENT ASSETS</b>		<b>62,970.18</b>	<b>61,329.46</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	10	13,336.77	12,056.92
(b) Financial assets			
(i) Trade receivables	11	1,570.74	2,556.46
(ii) Cash and cash equivalents	12	1,702.96	951.73
(iii) Bank balance (other than (ii) above)	13	580.72	1,555.48
(iv) Loans	14	116.83	112.40
(v) Other current financial assets	15	5,175.28	3,422.36
(c) Other current assets	16	1,433.32	1,533.98
<b>TOTAL CURRENT ASSETS</b>		<b>23,916.62</b>	<b>22,189.33</b>
<b>TOTAL ASSETS</b>		<b>86,886.80</b>	<b>83,518.79</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	17	1,172.65	1,172.65
(b) Other equity	18	60,918.78	60,177.85
<b>TOTAL EQUITY</b>		<b>62,091.43</b>	<b>61,350.50</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Lease liabilities	38	3,572.41	3,407.53
(ii) Other non-current financial liabilities	20	-	3,557.99
(b) Provisions	21	410.58	415.87
(c) Other non-current liabilities	23	2,469.09	2,027.88
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,452.08</b>	<b>9,409.27</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	19	3,008.22	1,014.18
(ii) Lease liabilities	38	1,407.32	1,302.88
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	24	839.69	376.88
Total outstanding dues of trade payables other than micro enterprises and small enterprises	24	7,579.49	7,927.15
(iv) Other current financial liabilities	25	3,802.52	583.32
(b) Other current liabilities	26	1,635.54	1,297.88
(c) Provisions	21	70.51	70.16
(d) Current tax liabilities (net)	27	-	186.57
<b>TOTAL CURRENT LIABILITIES</b>		<b>18,343.29</b>	<b>12,759.02</b>
<b>TOTAL LIABILITIES</b>		<b>24,795.37</b>	<b>22,168.29</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>86,886.80</b>	<b>83,518.79</b>

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

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022  
Chartered Accountants

**Vikram Advani**

Partner  
Membership no.: 091765  
UDIN:22091765AJMHX1572

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

**Amit Kumar**

Managing Director and  
Chief Executive Officer  
DIN - 02663687

**Apoorva Kumar**

Executive Director (Operations)  
DIN - 02630764

**Sumit Sharma**

Chief Financial Officer

**Om Prakash Pandey**

Company Secretary

Place : Indore

Date : 20 May 2022

Place : Indore

Date : 20 May 2022

# Standalone Statement of Profit and Loss

	Notes	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
I Revenue from operations	28	1,22,336.80	1,01,037.57
II Other income	29	1,346.75	861.60
<b>III TOTAL INCOME (I + II)</b>		<b>1,23,683.55</b>	<b>1,01,899.17</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	30	89,681.65	70,537.96
(b) Purchases of stock-in-trade		235.66	161.11
(c) Changes in inventories of finished goods and stock-in-trade	31	(809.37)	(214.57)
(d) Employee benefits expense	32	5,034.47	4,702.30
(e) Finance costs	33	669.41	627.04
(f) Depreciation and amortisation expenses	34	4,067.09	4,199.32
(g) Other expenses	35	22,801.46	19,896.12
<b>TOTAL EXPENSES</b>		<b>1,21,680.37</b>	<b>99,909.28</b>
<b>V Profit before exceptional item and tax (III - IV)</b>		<b>2,003.18</b>	<b>1,989.89</b>
VI Exceptional item	44	1,393.76	-
<b>VII Profit before tax (V - VI)</b>		<b>609.42</b>	<b>1,989.89</b>
<b>VIII Tax expense</b>			
(a) Current tax	22	164.07	393.37
(b) Deferred tax (including Minimum Alternate Tax)	22	(479.82)	(489.56)
<b>Total tax expense</b>		<b>(315.75)</b>	<b>(96.19)</b>
<b>IX Profit for the year (VII - VIII)</b>		<b>925.17</b>	<b>2,086.08</b>
<b>X Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement gain on defined benefit plan	37	24.43	3.13
(b) Income tax related to above	22	(8.54)	(1.09)
<b>Total other comprehensive income (net of tax)</b>		<b>15.89</b>	<b>2.04</b>
<b>XI Total comprehensive income (IX + X)</b>		<b>941.06</b>	<b>2,088.12</b>
<b>XII Earnings per equity share:</b>			
[Equity shares of face value of ₹ 5 (31 March 2021: ₹ 5) each]			
(a) Basic - ₹	36	3.94	8.89
(b) Diluted - ₹	36	3.94	8.89

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

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022  
Chartered Accountants

**Vikram Advani**

Partner  
Membership no.: 091765  
UDIN:22091765AJMHX1572

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

**Amit Kumar**

Managing Director and  
Chief Executive Officer  
DIN - 02663687

**Apoorva Kumar**

Executive Director (Operations)  
DIN - 02630764

**Sumit Sharma**

Chief Financial Officer

**Om Prakash Pandey**

Company Secretary

Place : Indore

Date : 20 May 2022

Place : Indore

Date : 20 May 2022

# Standalone Statement of Changes in Equity

## A. EQUITY SHARE CAPITAL:

	No. in lakhs	₹ lakhs
<b>Issued, subscribed and fully paid up capital</b>		
As at 1 April 2020	234.53	1,172.65
Change in the equity share capital during the year	-	-
<b>As at 31 March 2021</b>	<b>234.53</b>	<b>1,172.65</b>
Change in the equity share capital during the year	-	-
<b>As at 31 March 2022</b>	<b>234.53</b>	<b>1,172.65</b>

## B. OTHER EQUITY:

	Securities premium	Retained earnings	Employee stock appreciation rights reserve (Refer Note 45)	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 1 April 2020	38,282.76	19,456.55	271.59	58,010.90
Profit for the year	-	2,086.08	-	2,086.08
Other comprehensive income				
- Re-measurement gain on defined benefit plan	-	2.04	-	2.04
<b>Total comprehensive income</b>	<b>-</b>	<b>2,088.12</b>	<b>-</b>	<b>2,088.12</b>
<b>Transaction with owners, recorded directly in equity</b>				
<b>Contribution by and distribution to owners</b>				
Employee stock appreciation rights expense	-	-	313.37	313.37
Dividend paid on equity shares	-	(234.53)	-	(234.53)
<b>As at 31 March 2021</b>	<b>38,282.76</b>	<b>21,310.13</b>	<b>584.96</b>	<b>60,177.85</b>

	Securities premium	Retained earnings	Employee stock appreciation rights reserve (Refer Note 45)	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 1 April 2021	38,282.76	21,310.13	584.96	60,177.85
Profit for the year	-	925.17	-	925.17
Other comprehensive income				
- Re-measurement gain on defined benefit plan	-	15.89	-	15.89
<b>Total comprehensive income</b>	<b>-</b>	<b>941.06</b>	<b>-</b>	<b>941.06</b>
<b>Transaction with owners, recorded directly in equity</b>				
<b>Contribution by and distribution to owners</b>				
Employee stock appreciation rights expense	-	-	(82.86)	(82.86)
Dividend paid on equity shares	-	(117.27)	-	(117.27)
<b>As at 31 March 2022</b>	<b>38,282.76</b>	<b>22,133.92</b>	<b>502.10</b>	<b>60,918.78</b>

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022  
Chartered Accountants

**Vikram Advani**

Partner  
Membership no.: 091765  
UDIN:22091765AJHMHX1572

Place : Indore  
Date : 20 May 2022

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

**Amit Kumar**

Managing Director and  
Chief Executive Officer  
DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

Place : Indore  
Date : 20 May 2022

**Apoorva Kumat**

Executive Director (Operations)  
DIN - 02630764

**Om Prakash Pandey**

Company Secretary

# Standalone Statement of Cash Flows

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>609.42</b>	<b>1,989.89</b>
Adjustments to reconcile profit before tax to net cash flows		
<i>Add / (Less) :</i>		
Depreciation and amortisation expenses	4,067.09	4,199.32
Loss on sale of property, plant and equipments	1.94	12.32
Provision for slow moving inventory	(12.74)	26.92
Trade receivables written off	-	118.88
Allowance for credit losses	407.14	199.23
Liabilities written back	(30.00)	-
Provision for doubtful advances	(87.79)	-
Amortisation of deferred Government grant	(738.37)	(276.17)
Employee stock appreciation rights expense	(82.86)	313.37
Remeasurement of Financial liabilities measured at FVTPL	(554.35)	-
Loss by Fire	1,393.76	-
Finance cost	669.41	627.04
Interest income	(792.40)	(861.59)
<b>Operating profit before working capital changes</b>	<b>4,850.25</b>	<b>6,349.21</b>
<b>Working capital adjustments:</b>		
Decrease / (increase) in inventories	(1,700.83)	459.79
Decrease / (increase) in trade receivables	578.58	566.13
Decrease / (increase) in loans and other financial assets	154.86	47.32
Decrease / (increase) in other assets	(46.89)	(149.50)
Increase/ (decrease) in trade payables	148.70	(42.11)
Increase / (decrease) in other financial liabilities	217.93	29.21
Increase / (decrease) in provisions	19.49	69.83
Increase / (decrease) in other liabilities	278.50	521.60
	<b>4,500.59</b>	<b>7,851.48</b>
Income tax paid (net of refund received)	(464.93)	(300.47)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4,035.66</b>	<b>7,551.01</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments including capital work-in-progress and capital advances	(2,974.24)	(2,753.30)
Proceeds from sale of property, plant and equipments	12.61	27.39
Purchase of intangibles including assets under development	(66.83)	(30.31)
Receipt of government grant	980.80	107.15
Payment of deferred contingent consideration	-	(3,300.01)
Repayment of loan by employees welfare trust	66.50	-
Investment in fixed deposits with banks not considered as cash and cash equivalents	(6,911.42)	-
Redemption / maturity of fixed deposits with banks not considered as cash and cash equivalents	5,383.17	(1,798.82)
Interest received	456.68	408.87
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(3,052.73)</b>	<b>(7,339.03)</b>

# Standalone Statement of Cash Flows (contd.)

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	7,800.00	1,000.00
Repayment of lease liabilities	(1,439.06)	(1,396.94)
Interest paid on lease liabilities	(500.18)	(405.83)
Repayment of short-term borrowings	(5,815.29)	(285.82)
Interest paid	(159.90)	(208.87)
Dividend	(117.27)	(234.54)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(231.70)</b>	<b>(1,532.00)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>751.23</b>	<b>(1,320.02)</b>
Cash and cash equivalents at the beginning of the year	951.73	2,271.75
<b>Cash and cash equivalents at the end of the year (Refer Note 12)</b>	<b>1,702.96</b>	<b>951.73</b>

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022

Chartered Accountants

**Vikram Advani**

Partner

Membership no.: 091765

UDIN:22091765AJHMHX1572

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

**Amit Kumar**

Managing Director and

Chief Executive Officer

DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

**Apoorva Kumar**

Executive Director (Operations)

DIN - 02630764

**Om Prakash Pandey**

Company Secretary

Place : Indore

Date : 20 May 2022

Place : Indore

Date : 20 May 2022

# Notes to the Standalone Financial Statements

## NOTE 1: CORPORATE INFORMATION

Prataap Snacks Limited ('PSL' or 'the Company') is a public Company domiciled in India having CIN L15311MP2009PLC021746 and is incorporated under the provisions of the Companies Act, applicable in India and its equity shares are listed on the National Stock Exchange and BSE stock exchange. The principal place of business of the Company is located at Khasra no. 378/2, Nemawar Road, Near Makrand House, Indore, Madhya Pradesh, 452020, India. The Company is primarily engaged in the business of snacks food.

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

## NOTE 2.1: BASIS OF PREPARATION

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

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Valuation of share appreciation rights issued under Employee Stock Appreciation Rights ('ESAR') Plan 2018 (refer accounting policy regarding share-based payments)
- Net defined benefit liability (refer accounting policy regarding employee benefit)

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

## NOTE 2.2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A) CURRENT VS NON-CURRENT CLASSIFICATION

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

### B) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an

# Notes to the Standalone Financial Statements

ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

## Estimates and judgements

### Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognised in the Standalone financials statements is included below:

#### 1. Deferred taxes

The measurement of MAT credit receivable and deferred tax balances requires judgement around the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.

### Assumptions and estimation uncertainties

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

#### (i) Useful lives of property, plant and equipment and intangible assets

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

#### (ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can

be realised. The measurement of MAT credit receivable and deferred tax balances requires estimation of the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.

#### (iii) Discounts and rebates on sales

The Company provides discount and rebates on sales to certain customers. Revenue from these sales is recognised based on the price charged to the customer, net of the estimated pricing allowances, discounts, rebates and other incentives. In certain cases, the amount of these discount and rebates are not determined until claims with appropriate evidence is presented by the customer to the Company, which may be some time after the date of sale. Accordingly, the Company estimates the amount of such incentives basis the terms of contract, incentive schemes, historical experience adjusted with the forward looking, business forecast and the current economic conditions. To estimate the amount of incentives, the Company uses the most likely method.

## C) REVENUE FROM OPERATIONS

### (i) Revenue from contract with customer

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

#### Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the good is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 20 days upon delivery.

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

#### Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration

# Notes to the Standalone Financial Statements

to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right to return defective / damaged products and discount and rebates on sales. The right to return and discount and rebates on sales give rise to variable consideration.

The Company provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The Company does not generally provide a right of return on the goods supplied to customers.

## Contract balances

### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (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 received. Contract liabilities are recognised as revenue when the Company performs under the contract.

## D) GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions have been complied with. When the grant relates to an expense item, it is recognised as other operating revenue on a systematic basis over the

periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as other operating revenue in equal amounts over the expected useful life of the related assets.

## E) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipments is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use. Such cost includes the cost of replacing part of the Property, plant and equipments and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipments are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, plant and equipments as a component if the recognition criteria are satisfied.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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



# Notes to the Standalone Financial Statements

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

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

Property, plant and equipment	Useful lives
Factory building	30 years
Plant and equipments*	15 years (on double shift basis)
Electrical installations*	15 years
Furniture and fixtures	10 years
Computers*	3 years to 6 years
Office equipments*	3 years to 5 years
Vehicles	8 years
Leasehold improvement	Amortised over the period of lease term ranging from 9 to 10 years

\*These assets have life different from those mentioned in Schedule II of the Companies Act, 2013 (the 'Act').

## F) INTANGIBLE ASSETS

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

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

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

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

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

Intangible assets	Useful lives
Computer software	5 years

## G) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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 or cash generation unit ('CGU'). When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## H) INVENTORIES

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actual.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

# Notes to the Standalone Financial Statements

## I) LEASES

The company's leases mainly comprises of land, buildings and facilities. The Company assesses whether a contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### The Company as lessee

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

#### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Right-of-use assets	Useful lives
Manufacturing facilities	5 to 7 years
Leasehold land	3 to 9 years
Land and building	2 to 10 years

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

#### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase

option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments of short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## J) SEGMENT REPORTING

The Company is engaged in the business of snacks good. The Chief Operating Decision Maker review the operating results of the Company as a whole for purposes of making decisions about resources to be allocated and assess its performance. The entire operations are classified as a single segment, namely 'Snacks food'.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

# Notes to the Standalone Financial Statements

## K) PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The expense relating to a provision is presented in the statement of profit and loss.

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

## L) EMPLOYEE BENEFITS

### I. Short term employee benefits

Short-term employee benefit obligations such as salaries, incentives, special awards, medical benefits are measured on an undiscounted basis and are expensed as the related service is provided.

### II. Post-employment obligations

The company operates the following post-employment schemes:

#### a. Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

#### b. Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The liability for the defined benefit gratuity plan is determined based on actuarial valuations carried out by an independent actuary as at year end. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the government bonds yield rates for the life of the obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

### III. Other long term employee benefit

The Company has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability

# Notes to the Standalone Financial Statements

is the projected unit credit method. Actuarial gain and loss are recognised in the statement of profit and loss during the year in which they occur.

The Company presents the leave as the current liability in the standalone balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in standalone balance sheet.

## IV. Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Appreciation Rights Plan whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee stock appreciation rights ('ESAR') reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

## M) TAXATION

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the statement of profit and loss, except when it relates to items recognised in the other comprehensive income or items recognised directly in the equity. In such cases, the income tax expense is also recognised in the other comprehensive income or directly in the equity as applicable.

### Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or under dispute with authorities and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liabilities on a net basis or simultaneously.

### Deferred taxes

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except for:

- Temporary difference arising on the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss

# Notes to the Standalone Financial Statements

- Taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

For operations carried out under tax holiday period (Section 80IB and 80IE benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Minimum alternate tax ('MAT')

MAT expense in a year is charged to the statement of profit and loss as current tax for the year. The MAT credit available only to the extent that it is probable that the Company will

pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and is disclosed as deferred tax asset. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## N) FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognised as income or expense in the year in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## O) FAIR VALUE MEASUREMENT

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

# Notes to the Standalone Financial Statements

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Other fair value related disclosures are given in the relevant notes.

## P) FINANCIAL INSTRUMENTS

### I) Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instruments.

A financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities is

initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### II) Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair value through other comprehensive income ('FVOCI') or Fair value through profit and loss ('FVTPL').

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Notes to the Standalone Financial Statements

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit or loss.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

## III) De-recognition

### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are

transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

## Financial liabilities

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

## IV) Offsetting of financial instruments

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

## V) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are measured at FVTOCI
- c) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

# Notes to the Standalone Financial Statements

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of

the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as (income) / expense in the statement of profit and loss (P&L). Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## Q) INVESTMENT IN SUBSIDIARY

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

### Impairment of investments:

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

## R) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## S) BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes



# Notes to the Standalone Financial Statements

a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred. Borrowing cost includes interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## T) EARNINGS PER SHARE

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

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

## U) CONTINGENT LIABILITY AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the

occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

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

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

## V) INTEREST INCOME

For all debt instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

# Notes to the Standalone Financial Statements

## NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Note a: Owned assets

	Leasehold improvements	Freehold lands	Factory buildings	Plant and equipments	Furniture and fixtures	Office equipments	Computers	Vehicles	Capital work-in-progress	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>I Gross carrying amount</b>										
<b>As at 1 April 2020</b>	1,779.22	3,168.04	5,347.32	26,171.26	260.44	255.91	155.00	1,286.00	714.51	39,137.70
Additions	162.25	-	239.23	795.32	5.95	45.04	18.04	421.17	3,049.53	4,736.53
Disposals	-	-	-	-	-	-	-	82.94	-	82.94
Transfer/capitalised	-	-	-	-	-	-	-	-	1,687.00	1,687.00
<b>As at 31 March 2021</b>	1,941.47	3,168.04	5,586.55	26,966.58	266.39	300.95	173.04	1,624.23	2,077.04	42,104.29
Additions	109.97	-	1,140.11	1,648.33	10.15	19.51	34.23	335.51	2,744.09	6,041.90
Disposals*	-	-	-	900.27	3.05	30.83	1.65	39.86	143.46	1,119.12
Transfer/capitalised	-	-	-	-	-	-	-	-	3,297.81	3,297.81
<b>As at 31 March 2022</b>	2,051.44	3,168.04	6,726.66	27,714.64	273.49	289.63	205.62	1,919.88	1,379.86	43,729.26
<b>II Accumulated depreciation and impairment losses</b>										
<b>As at 1 April 2020</b>	802.02	-	572.16	9,131.23	87.43	122.53	101.66	385.40	-	11,202.43
Depreciation charge for the year	284.18	-	189.19	1,891.78	25.15	46.66	30.78	192.52	-	2,660.26
Disposals	-	-	-	-	-	-	-	63.28	-	63.28
<b>As at 31 March 2021</b>	1,086.20	-	761.35	11,023.02	112.58	169.19	132.44	514.64	-	13,799.41
Depreciation charge for the year	269.72	-	197.43	1,592.36	24.42	46.52	23.74	229.25	-	2,383.44
Disposals*	-	-	-	244.34	0.92	21.12	0.10	31.89	-	298.37
<b>As at 31 March 2022</b>	1,355.92	-	958.78	12,371.04	136.08	194.59	156.08	712.00	-	15,884.48
<b>III Net carrying amount</b>										
<b>As at 31 March 2022</b>	695.52	3,168.04	5,767.88	15,343.60	137.41	95.04	49.54	1,207.88	1,379.86	27,844.78
<b>As at 31 March 2021</b>	855.27	3,168.04	4,825.20	15,943.56	153.81	131.76	40.60	1,109.59	2,077.04	28,304.88

\* Refer note 44 on exceptional item

# Notes to the Standalone Financial Statements

## Note b: Right-of-use assets

	Leasehold lands ₹ lakhs	Land and Buildings ₹ lakhs	Manufacturing facilities ₹ lakhs	Total ₹ lakhs
<b>I Gross carrying amount</b>				
<b>As at 1 April 2020</b>	<b>355.50</b>	<b>3,144.71</b>	<b>4,666.40</b>	<b>8,166.61</b>
Additions	-	102.87	1,344.29	1,447.16
Disposals	-	-	3,271.62	3,271.62
<b>As at 31 March 2021</b>	<b>355.50</b>	<b>3,247.58</b>	<b>2,739.07</b>	<b>6,342.15</b>
Additions	777.91	1,438.41	264.75	2,481.07
Disposals	511.62	452.05	168.50	1,132.17
<b>As at 31 March 2022</b>	<b>621.79</b>	<b>4,233.94</b>	<b>2,835.32</b>	<b>7,691.05</b>
<b>II Accumulated depreciation and impairment losses</b>				
<b>As at 1 April 2020</b>	<b>58.49</b>	<b>631.75</b>	<b>754.25</b>	<b>1,444.49</b>
Depreciation charge for the year	58.49	642.48	780.01	1,480.98
Disposals	-	-	904.02	904.02
<b>As at 31 March 2021</b>	<b>116.98</b>	<b>1,274.23</b>	<b>630.24</b>	<b>2,021.45</b>
Depreciation charge for the year	128.49	665.39	830.65	1,624.53
Disposals	69.37	292.52	69.38	431.27
<b>As at 31 March 2022</b>	<b>176.10</b>	<b>1,647.10</b>	<b>1,391.51</b>	<b>3,214.71</b>
<b>III Net carrying amount</b>				
<b>As at 31 March 2022</b>	<b>445.69</b>	<b>2,586.84</b>	<b>1,443.81</b>	<b>4,476.34</b>
<b>As at 31 March 2021</b>	<b>238.52</b>	<b>1,973.35</b>	<b>2,108.83</b>	<b>4,320.70</b>

## Note c: Net carrying amount

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
(i) Property, plant and equipments		
a. Owned assets	26,464.91	26,227.83
b. Right-of-use assets	4,476.34	4,320.70
	<b>30,941.25</b>	<b>30,548.53</b>
(ii) Capital work-in-progress	1,379.86	2,077.04

## Note d: Capital work in progress Ageing Schedule

	Amount in Capital work-in-progress for a period of				Total ₹ lakhs
	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	
<b>As at 31 March 2022</b>					
Projects in progress	886.02	399.31	94.53	-	1,379.86
Projects temporarily suspended	-	-	-	-	-
	<b>886.02</b>	<b>399.31</b>	<b>94.53</b>	<b>-</b>	<b>1,379.86</b>
<b>As at 31 March 2021</b>					
Projects in progress	1,555.32	470.55	51.17	-	2,077.04
Projects temporarily suspended	-	-	-	-	-
	<b>1,555.32</b>	<b>470.55</b>	<b>51.17</b>	<b>-</b>	<b>2,077.04</b>

# Notes to the Standalone Financial Statements

Note e: Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

	To be completed in				Total ₹ lakhs
	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	
<b>As at 31 March 2022</b>					
Expansion of namkeen plant	226.65	-	-	-	226.65
	<b>226.65</b>	-	-	-	<b>226.65</b>
<b>As at 31 March 2021</b>					
Effluent treatment plant	-	1,035.83	-	-	1,035.83
Expansion of namkeen plant	-	226.65	-	-	226.65
	-	<b>1,262.48</b>	-	-	<b>1,262.48</b>

## NOTE 4: INTANGIBLE ASSETS

	Computer softwares ₹ lakhs	Total ₹ lakhs
<b>I Gross carrying amount</b>		
<b>As at 1 April 2020</b>	<b>299.87</b>	<b>299.87</b>
Additions	30.31	30.31
Disposals	-	-
<b>As at 31 March 2021</b>	<b>330.18</b>	<b>330.18</b>
Additions	66.83	66.83
Disposals	-	-
<b>As at 31 March 2022</b>	<b>397.01</b>	<b>397.01</b>
<b>II Accumulated amortisation and impairment losses</b>		
<b>As at 1 April 2020</b>	<b>127.51</b>	<b>127.51</b>
Amortisation charge for the year	58.08	58.08
Disposals	-	-
<b>As at 31 March 2021</b>	<b>185.59</b>	<b>185.59</b>
Amortisation charge for the year	59.12	59.12
Disposals	-	-
<b>As at 31 March 2022</b>	<b>244.71</b>	<b>244.71</b>
<b>III Net carrying amount</b>		
<b>As at 31 March 2022</b>	<b>152.30</b>	<b>152.30</b>
<b>As at 31 March 2021</b>	<b>144.59</b>	<b>144.59</b>

## IV Net Carrying Amount

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Intangible assets	152.30	144.59

# Notes to the Standalone Financial Statements

## NOTE 5: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Measured at cost</b>		
<b>Investment in subsidiary (Unquoted)</b>		
5 lakhs (31 March 2021: 5 lakhs) Equity shares of ₹ 10 each fully paid-up in Avadh Snacks Private Limited	19,158.00	19,158.00
1.02 lakhs (31 March 2021: 1.02 lakhs) Equity shares of ₹ 10 each, ₹ 6 each partly paid-up in Avadh Snacks Private Limited (Refer Note 39)	1,500.00	1,500.00
	<b>20,658.00</b>	<b>20,658.00</b>

## NOTE 6: FINANCIAL ASSETS - NON-CURRENT LOANS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Loans to related parties (Refer Note 40 and 42)	1,763.66	1,814.80
	<b>1,763.66</b>	<b>1,814.80</b>

## NOTE 7: OTHER NON-CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Margin money deposit*	0.61	0.16
Non-current bank balances being deposits with remaining maturity of more than twelve months**	2,947.16	2,406.68
Subsidy receivable	2,087.59	1,533.33
Security deposits	602.15	600.03
	<b>5,637.51</b>	<b>4,540.20</b>

\*Margin money deposits pertains to deposits given to various Government / statutory authorities as security.

\*\* Includes deposits amounting to Nil (31 March 2021: ₹ 2,259.00 Lakhs) given to the bank as security against borrowings.

## NOTE 8: OTHER TAX ASSETS (NET)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Advance income-tax (Net of provision for taxation: ₹ 6,056.63 lakhs (31 March 2021: ₹ Nil lakhs])	114.30	-
	<b>114.30</b>	<b>-</b>

# Notes to the Standalone Financial Statements

## NOTE 9: OTHER NON-CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Capital advances:		
Considered good	583.43	339.67
Considered doubtful	372.51	379.84
Less: Provision for doubtful advances	(372.51)	(379.84)
Prepaid expenses	6.89	-
Balances with government authorities	55.07	-
	<b>645.39</b>	<b>339.67</b>

## NOTE 10: INVENTORIES

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

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Raw materials	6,248.34	6,639.76
Packing materials	4,132.35	3,271.16
Finished goods [including stock-in-transit: ₹ 453.49 lakhs (As at 31 March 2021: ₹ 392.17 lakhs)]	2,359.48	1,547.75
Traded goods [including stock-in-transit: ₹ 1.79 lakhs (As at 31 March 2021: ₹ 3.34 lakhs)]	9.18	11.54
Stores, spares and other consumables	587.42	586.71
	<b>13,336.77</b>	<b>12,056.92</b>

### Note:

During the year an amount of ₹ 0.46 lakhs (net) [31 March 2021: ₹ 26.92 lakhs (net)] was charged to statement of profit and loss on account of write down of inventories.

## NOTE 11: TRADE RECEIVABLES

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Considered good - Unsecured	1,941.23	2,584.72
Credit impaired	505.31	440.40
Less: Allowance for credit losses (Refer Note 48)	(875.80)	(468.66)
	<b>1,570.74</b>	<b>2,556.46</b>

### Notes:

- For terms and conditions relating to related party receivables, Refer Note 40.
- For ageing of trade receivable, Refer Note 48.
- Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

# Notes to the Standalone Financial Statements

## NOTE 12: CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Balances with banks:		
In current accounts	1,700.51	947.73
Deposits with original maturity of less than three months	-	1.53
Cash on hand	2.45	2.47
	<b>1,702.96</b>	<b>951.73</b>

## NOTE 13: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deposits with maturity less than twelve months*	317.04	759.87
Margin money deposit**	263.39	795.32
Earmarked balances with bank - unpaid dividend	0.29	0.29
	<b>580.72</b>	<b>1,555.48</b>

\* Includes deposits amounting to Nil (31 March 2021: ₹ 615.00 Lakhs) given to the bank as security against borrowings.

\*\*Margin money deposits pertains to deposits given to various Government / statutory authorities as security.

## NOTE 14: FINANCIAL ASSETS - CURRENT LOANS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Loan to transporters:		
Unsecured considered good		
Credit Impaired	4.79	4.79
Less: Allowances for credit losses	(4.79)	(4.79)
Loan to employees - Unsecured considered good	116.83	112.40
	<b>116.83</b>	<b>112.40</b>

## NOTE 15: OTHER CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Subsidy receivable	839.85	1,064.73
Security deposits	11.94	8.95
Fixed Deposit with banks*	4,323.49	2,348.68
	<b>5,175.28</b>	<b>3,422.36</b>

\* Includes deposits amounting to Nil (31 March 2021: ₹ 236.00 Lakhs) given to the bank as security against borrowings.

# Notes to the Standalone Financial Statements

## NOTE 16: OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Advances to vendors:		
Considered good	1,091.03	1,138.15
Considered doubtful	389.66	467.20
Less: Provision for doubtful advances	(389.66)	(467.20)
Prepaid expenses	66.05	84.05
Balances with government authorities	276.24	311.78
	<b>1,433.32</b>	<b>1,533.98</b>

## NOTE 17: SHARE CAPITAL

### (a) Authorised share capital

	Equity shares	
	No. in lakhs	₹ lakhs
<b>Equity shares of ₹ 5 each</b>		
<b>As at 1 April 2020</b>	<b>320.00</b>	<b>1,600.00</b>
Change in authorised share capital during the year	-	-
<b>As at 31 March 2021</b>	<b>320.00</b>	<b>1,600.00</b>
Change in authorised share capital during the year	-	-
<b>As at 31 March 2022</b>	<b>320.00</b>	<b>1,600.00</b>

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

	No. in lakhs	₹ lakhs
<b>As at 1 April 2020 (Equity shares of ₹ 5 each)</b>	<b>234.53</b>	<b>1,172.65</b>
Changes in equity share capital during the year	-	-
<b>As at 31 March 2021 (Equity shares of ₹ 5 each)</b>	<b>234.53</b>	<b>1,172.65</b>
Changes in equity share capital during the year	-	-
<b>As at 31 March 2022 (Equity shares of ₹ 5 each)</b>	<b>234.53</b>	<b>1,172.65</b>

### (c) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 (31 March 2021: ₹ 5) per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which may be subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at 31 March 2022		As at 31 March 2021	
	No. in lakhs	% holding	No. in lakhs	% holding
<b>Equity shares</b>				
SCI Growth Investment II	83.93	35.79%	83.93	35.79%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	23.54	10.04%
Malabar India Fund Limited	13.88	5.92%	15.04	6.41%
SBI Mutual Fund	5.41	2.31%	12.73	5.43%



## Notes to the Standalone Financial Statements

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### (e) Details of shares held by promoters in the Company

	As at 31 March 2022			As at 31 March 2021		
	No. in lakhs	% holding	% change during the year	No. in lakhs	% holding	% change during the year
<b>Equity shares</b>						
Arvind Mehta	5.60	2.39%	0.09%	5.60	2.39%	0.00%
Amit Kumat	5.83	2.49%	0.24%	5.82	2.48%	0.71%
Apoorva Kumat	5.55	2.37%	0.18%	5.54	2.36%	1.07%
Arun Mehta	5.72	2.44%	0.00%	5.72	2.44%	0.00%
Kanta Mehta	2.33	0.99%	0.00%	2.33	0.99%	0.00%
Naveen Mehta	9.04	3.86%	0.00%	9.04	3.86%	0.00%
Premlata Kumat	5.59	2.38%	0.00%	5.59	2.38%	0.00%
Rajesh Mehta	6.81	2.91%	0.00%	6.81	2.91%	0.00%
Rakhi Kumat	1.10	0.47%	0.00%	1.10	0.47%	0.00%
Rita Mehta	3.26	1.39%	0.00%	3.26	1.39%	0.00%
Sandhya Kumat	1.30	0.55%	0.00%	1.30	0.55%	0.00%
Swati Bapna	2.04	0.87%	0.00%	2.04	0.87%	0.00%
SCI Growth Investment II	83.93	35.79%	0.00%	83.93	35.79%	0.00%
Sequoia Capital GFIV Mauritius Investments*	23.54	10.04%	0.00%	23.54	10.04%	0.00%
Sequoia Capital India Growth Investment Holdings I*	6.01	2.56%	0.00%	6.01	2.56%	0.00%

\*Promoter group

### (f) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	-	-	-	-	155.91

**31 March 2018** - Allotment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 3 June 2017.

### (g) Shares issued under Prataap Employees Stock Appreciation Rights ('ESAR') Plan 2018

Refer Note 45 for details of shares issued under the ESAR Plan 2018.

### (h) Dividend paid and proposed

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Dividend on equity shares paid during the year</b>		
Dividend for the year ended 31 March 2021: ₹ 0.50 per share (31 March 2020: ₹ 1 per share)	117.27	234.53

# Notes to the Standalone Financial Statements

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Proposed dividend on equity shares*</b>		
Dividend for the year ended 31 March 2022: ₹ 0.50 per share (31 March 2021: ₹ 0.50 per share)	117.27	117.27

\*Proposed dividend on equity shares is subject to approval of the shareholders at the ensuing Annual General Meeting and are not recognised as liability as at 31 March 2022.

## NOTE 18: OTHER EQUITY

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Securities premium	38,282.76	38,282.76
Retained earnings	22,133.92	21,310.13
Employee stock appreciation rights reserve	502.10	584.96
	<b>60,918.78</b>	<b>60,177.85</b>

### Securities premium

	₹ lakhs
<b>As at 1 April 2020</b>	<b>38,282.76</b>
<b>As at 31 March 2021</b>	<b>38,282.76</b>
<b>As at 31 March 2022</b>	<b>38,282.76</b>

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

### Retained earnings

	₹ lakhs
<b>As at 1 April 2020</b>	<b>19,456.55</b>
Add: Profit for the year	2,086.08
Add: Other comprehensive income	2.04
Less: Amount utilised towards payment of dividend	(234.53)
<b>As at 31 March 2021</b>	<b>21,310.13</b>
Add: Profit for the year	925.17
Add: Other comprehensive income	15.89
Less: Amount utilised towards payment of dividend	(117.27)
<b>As at 31 March 2022</b>	<b>22,133.92</b>

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

### Employee stock appreciation rights reserve

	₹ lakhs
<b>As at 1 April 2020</b>	<b>271.59</b>
Add: Expense recognised during the year (Refer Note 45)	313.37
<b>As at 31 March 2021</b>	<b>584.96</b>
Add: Expense recognised during the year (Refer Note 45)	(82.86)
<b>As at 31 March 2022</b>	<b>502.10</b>

# Notes to the Standalone Financial Statements

The Company has Prataap Employee Stock Appreciation Rights ('ESAR') Plan 2018 under which options to subscribe for the Company's shares have been granted to certain employees. The Employee stock appreciation rights reserve is used to recognise the value of equity-settled share-based payments provided to employees. The said reserve shall be utilised for issue of equity shares of the Company against the rights exercisable by the employees under the ESAR Plan 2018.

## NOTE 19: BORROWINGS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Short term borrowings</b>		
<b>Loan repayable on demand</b>		
- From Banks		
<b>Unsecured</b>		
Working capital loan (Refer Note 1 below)	3,008.22	-
<b>Secured</b>		
Working capital loan (Refer Note 2 below)	-	1,014.18
	<b>3,008.22</b>	<b>1,014.18</b>

### Note:

1. The Unsecured short term loan from a bank carries a rate of interest of 4.27%-4.55% and interest is to be serviced as and when charged. The said loan is repayable on demand.
2. The Secured short term loan from a bank carries a rate of interest of 6.03% and interest is to be serviced as and when charged. The loan is secured by lien on fixed deposit. The said loan is repayable on demand.

## NOTE 20: OTHER NON-CURRENT FINANCIAL LIABILITIES

(At fair value through profit and loss)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deferred contingent consideration (Refer Note 47)	-	3,557.99
	-	<b>3,557.99</b>

## NOTE 21: PROVISIONS

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Non-current provisions</b>		
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 37)	403.07	415.87
Compensated absences	7.51	-
	<b>410.58</b>	<b>415.87</b>
<b>Current provisions</b>		
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 37)	53.39	40.75
Compensated absences	17.12	29.41
	<b>70.51</b>	<b>70.16</b>

# Notes to the Standalone Financial Statements

## NOTE 22: DEFERRED TAX ASSETS / LIABILITIES

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>(a) Tax expense recognised in the statement of profit and loss</b>		
Current tax	164.07	393.37
Deferred tax (including Minimum Alternate Tax)	(479.82)	(489.56)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(315.75)</b>	<b>(96.19)</b>
<b>(b) Income tax related to items recognised in OCI during the year:</b>		
Net gain/(loss) on remeasurements of defined benefit plan	8.54	1.09
<b>Income tax expense recognised in OCI</b>	<b>8.54</b>	<b>1.09</b>
<b>(c) Reconciliation of income tax expense and the accounting profit:</b>		
Profit/(loss) before tax	609.42	1,989.89
Income tax expense calculated at 34.944% (31 March 2021: 34.944%) being the statutory enacted rate	212.96	695.35
<b>Effect of:</b>		
Income not taxable during the tax holiday period	(335.61)	(516.57)
Reversal of deferred tax on estimated temporary difference during the tax holiday period	101.45	110.44
Expenses that is non-deductible in determining taxable profit	13.25	66.68
Income not taxable in determining taxable profit	(194.96)	-
Deferred tax balances measured at lower rate on account of estimate of timing of transition to New Tax Regime	(128.21)	(451.60)
Others	15.37	(0.49)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(315.75)</b>	<b>(96.19)</b>

### (d) The movement in deferred tax assets and liabilities during the year ended 31 March 2022 and 31 March 2021:

	As at 1 April 2021 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2022 ₹ lakhs
<b>Deferred tax assets in relation to:</b>				
(i) Allowances for credit losses and doubtful receivables	(424.73)	(111.59)	-	(536.32)
(ii) Provision for employee benefits	(212.03)	(2.25)	8.54	(205.74)
(iii) Lease liabilities	(1,645.82)	(94.10)	-	(1,739.92)
(iv) Other items giving rise to temporary differences	(104.63)	(276.43)	-	(381.06)
	<b>(2,387.21)</b>	<b>(484.37)</b>	<b>8.54</b>	<b>(2,863.04)</b>
<b>Deferred tax liabilities in relation to:</b>				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets	1,279.92	139.32	-	1,419.24
(ii) Right of use assets	1,504.13	29.30	-	1,533.43
	<b>2,784.05</b>	<b>168.62</b>	<b>-</b>	<b>2,952.67</b>
<b>Deferred Tax liability / (asset)</b>	<b>396.84</b>	<b>(315.75)</b>	<b>8.54</b>	<b>89.63</b>
(i) MAT Credit entitlement	(1,603.47)	(164.07)	-	(1,767.54)
<b>Net Deferred Tax liability / (asset)</b>	<b>(1,206.63)</b>	<b>(479.82)</b>	<b>8.54</b>	<b>(1,677.91)</b>

## Notes to the Standalone Financial Statements

	As at 1 April 2020	Recognised in profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2021
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Deferred tax assets in relation to:</b>				
(i) Allowances for credit losses and doubtful receivables	(355.16)	(69.57)	-	(424.73)
(ii) Provision for employee benefits	(188.79)	(24.33)	1.09	(212.03)
(iii) Lease liabilities	(2,457.62)	811.80	-	(1,645.82)
(iv) Other items giving rise to temporary differences	(125.05)	20.42	-	(104.63)
	<b>(3,126.62)</b>	<b>738.31</b>	<b>1.09</b>	<b>(2,387.21)</b>
<b>Deferred tax liabilities in relation to:</b>				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets	1,500.66	(220.74)	-	1,279.92
(ii) Right of use assets	2,345.29	(841.16)	-	1,504.13
	<b>3,845.95</b>	<b>(1,061.90)</b>	<b>-</b>	<b>2,784.05</b>
<b>Deferred Tax liability / (asset)</b>	<b>719.33</b>	<b>(323.58)</b>	<b>1.09</b>	<b>396.84</b>
(i) MAT Credit entitlement	(1,437.49)	(165.98)	-	(1,603.47)
<b>Net Deferred Tax liability / (asset)</b>	<b>(718.16)</b>	<b>(489.56)</b>	<b>1.09</b>	<b>(1,206.63)</b>

The rate used for calculation of Deferred tax is 34.944% and 25.17% for deferred tax expected to be reversed in the New Tax Regime, being statutory enacted rates at Balance Sheet date.

### Disclosure in the balance sheet:

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deferred tax assets	(4,630.58)	(3,990.68)
Deferred tax liabilities	2,952.67	2,784.05
<b>Deferred tax liabilities / (assets) (net)</b>	<b>(1,677.91)</b>	<b>(1,206.63)</b>

### NOTE 23: OTHER NON-CURRENT LIABILITIES

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deferred Government grant	2,469.09	2,027.88
	<b>2,469.09</b>	<b>2,027.88</b>
<b>At 1 April</b>	<b>2,304.05</b>	<b>2,580.22</b>
Addition during the year	836.30	-
Recognised in the statement of profit and loss (Refer Note 28)	(335.63)	(276.17)
<b>At 31 March</b>	<b>2,804.72</b>	<b>2,304.05</b>
The above amount is classified as:		
Non-current	2,469.09	2,027.88
Current	335.63	276.17
	<b>2,804.72</b>	<b>2,304.05</b>

# Notes to the Standalone Financial Statements

## NOTE 24: TRADE PAYABLES

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Total outstanding dues of micro enterprises and small enterprises	839.69	376.88
Total outstanding dues of trade payables other than micro enterprises and small enterprises	7,579.49	7,927.15
	<b>8,419.18</b>	<b>8,304.03</b>

- a. Trade payables are non interest bearing and are normally settled in 0 to 45 days terms.
- b. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
(a) Principal amount remaining unpaid	839.69	376.88
(b) Interest due thereon remaining unpaid	-	-
(c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(e) Interest accrued and remaining unpaid	-	-
(f) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

### c. Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment						Total ₹ lakhs
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	
<b>As at 31 March 2022</b>							
Total outstanding dues of micro enterprises and small enterprises	-	620.61	219.08	-	-	-	839.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	763.71	4,287.19	2,419.76	20.19	87.82	0.82	7,579.49
Disputed dues of micro enterprises and small enterprises	-		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-		-	-	-	-	-
	<b>763.71</b>	<b>4,907.80</b>	<b>2,638.84</b>	<b>20.19</b>	<b>87.82</b>	<b>0.82</b>	<b>8,419.18</b>

## Notes to the Standalone Financial Statements

	Outstanding for following periods from due date of payment						Total ₹ lakhs
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	
<b>As at 31 March 2021</b>							
Total outstanding dues of micro enterprises and small enterprises	-	298.88	78.00	-	-	-	376.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,272.66	3,522.34	3,043.61	55.46	9.03	24.05	7,927.15
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,272.66</b>	<b>3,821.22</b>	<b>3,121.61</b>	<b>55.46</b>	<b>9.03</b>	<b>24.05</b>	<b>8,304.03</b>

### NOTE 25: OTHER CURRENT FINANCIAL LIABILITIES

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Creditors for capital goods	228.31	214.68
Security deposits	100.00	-
Dividend payable	0.33	0.29
Employee payables	470.24	368.35
Deferred consideration (Refer Note 47)	3,003.64	-
	<b>3,802.52</b>	<b>583.32</b>

### NOTE 26: OTHER CURRENT LIABILITIES

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Contract liabilities (Advance from customers)	860.84	547.33
Statutory dues	439.07	474.38
Deferred Government grant (Refer Note 23)	335.63	276.17
	<b>1,635.54</b>	<b>1,297.88</b>

### NOTE 27: CURRENT TAX LIABILITIES (NET)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Income tax provision [Net of advance tax: ₹ Nil lakhs (31 March 2021: ₹ 5,705.99 lakhs)]	-	186.57
	<b>-</b>	<b>186.57</b>

# Notes to the Standalone Financial Statements

## NOTE 28: REVENUE FROM OPERATIONS

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>Sale of products</b>		
(a) Finished goods	1,20,675.03	99,893.86
(b) Traded goods	301.61	183.77
	<b>1,20,976.64</b>	<b>1,00,077.63</b>
<b>Other operating revenues</b>		
(c) Sale of starch	69.64	70.62
(d) Scrap sales	318.17	181.99
(e) Government grant (Refer Note 23 and Note 43)	738.37	388.51
(f) Other operating income	233.98	318.82
	<b>1,360.16</b>	<b>959.94</b>
	<b>1,22,336.80</b>	<b>1,01,037.57</b>
<b>Out of above</b>		
Revenue from contracts with customers	1,21,364.45	1,00,330.24
Other revenue	972.35	707.33
	<b>1,22,336.80</b>	<b>1,01,037.57</b>

### Note A: Reconciliation of revenue recognised with contract price

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Contract price	1,24,531.29	1,04,002.02
Adjustments for variable consideration:		
Discount and rebates	(3,166.84)	(3,671.78)
<b>Revenue from contract with customers</b>	<b>1,21,364.45</b>	<b>1,00,330.24</b>

### Note B: Disaggregation of revenue

The Company has a single stream of revenue i.e. sale of products. However, the Company has operations spread across geographical area, viz. in India and outside India, details of which is as under:

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
India	1,21,178.56	1,00,085.72
Outside India	185.89	244.52
	<b>1,21,364.45</b>	<b>1,00,330.24</b>

### Note C: Contract balances

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
(i) Trade receivables (pertaining to contract with customers)	1,570.74	2,556.46
(ii) Contract liabilities		
Advance from customers	860.84	547.33
<b>At the beginning of the year</b>	<b>547.33</b>	<b>297.94</b>



## Notes to the Standalone Financial Statements

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Add: Received during the year	860.84	547.33
Less: Recognised as revenue out of amount recognised as contract liabilities as at the beginning of the period	(547.33)	(297.94)
<b>At the end of the year</b>	<b>860.84</b>	<b>547.33</b>
<b>Out of above</b>		
Advance from customers	860.84	547.33
	<b>860.84</b>	<b>547.33</b>

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

### NOTE 29: OTHER INCOME

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Interest income under the effective interest method on:		
Bank deposits	384.96	403.00
Unwinding of financial assets	307.74	195.58
Others	99.70	99.61
Gain on Fair valuation of financial liability	554.35	-
Miscellaneous income (Refer Note below)	-	163.41
	<b>1,346.75</b>	<b>861.60</b>

**Note:** Miscellaneous income in 31 March 2021 includes an amount of ₹ 163.40 lakhs on extinguishment of lease liability (net of the right of use assets) on termination of lease agreement.

### NOTE 30: COST OF MATERIALS CONSUMED

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Inventory at the beginning of the year	9,910.92	10,472.35
Add: Purchases	90,151.42	69,976.53
	<b>1,00,062.34</b>	<b>80,448.88</b>
Less: Inventory at the end of the year	(10,380.69)	(9,910.92)
Cost of materials consumed	<b>89,681.65</b>	<b>70,537.96</b>

### NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Opening stock		
Finished goods	1,547.75	1,339.77
Traded goods	11.54	4.95
	<b>1,559.29</b>	<b>1,344.72</b>
Less: Closing stock		
Finished goods	2,359.48	1,547.75
Traded goods	9.18	11.54
	<b>2,368.66</b>	<b>1,559.29</b>
(Increase) / Decrease in inventories of Finished goods and Traded goods	<b>(809.37)</b>	<b>(214.57)</b>

# Notes to the Standalone Financial Statements

## NOTE 32: EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Salaries, wages and bonus	4,590.73	3,805.28
Employee stock appreciation rights expense (Refer Note 45)	(82.86)	313.37
Contribution to provident and other funds (Refer Note 37 and Note 43)	286.20	253.75
Gratuity expense (Refer Note 37)	68.43	76.85
Staff welfare expenses	171.97	253.05
	<b>5,034.47</b>	<b>4,702.30</b>

## NOTE 33: FINANCE COSTS

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	125.06	18.60
Lease liabilities (Refer Note 38)	500.18	569.23
Others	-	12.34
Other finance costs	44.17	26.87
	<b>669.41</b>	<b>627.04</b>

## NOTE 34: DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Depreciation on property, plant and equipments (Refer Note 3)	2,383.44	2,660.26
Depreciation on right of use asset (Refer Note 3)	1,624.53	1,480.98
Amortisation of intangible assets (Refer Note 4)	59.12	58.08
	<b>4,067.09</b>	<b>4,199.32</b>

## NOTE 35: OTHER EXPENSE

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Consumption of stores, spares and other consumables	1,338.11	1,406.84
Security charges	306.60	247.65
Housekeeping charges	220.15	176.22
Power and fuel	2,864.63	2,228.38
Contract labour charges	3,818.61	3,110.24
Freight and forwarding charges	8,117.38	7,121.37
Rent / lease rent (Refer Note 38)	142.74	115.45
Rates and taxes	73.25	28.01
Insurance charges	102.41	103.08
Job work charges	2,196.31	2,305.05

## Notes to the Standalone Financial Statements

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Repairs and maintenance:		
- Plant and machinery	552.35	526.35
- Buildings	153.26	105.90
- Others	293.54	176.84
Advertisement and sales promotion	1,046.60	746.33
Trade receivables written off	-	118.88
Allowance for credit losses and doubtful advances	319.35	199.23
Travelling and conveyance	396.26	220.31
Printing and stationery	34.93	30.43
Legal and professional fees	353.58	299.88
Payment to auditor (Refer Note A below)	65.91	57.15
Loss on sale / discard of property, plant and equipments	1.94	12.32
Corporate social responsibility expenditure (Refer Note B below)	93.00	123.18
Independent directors sitting fees and commission	55.18	63.28
Miscellaneous expenses	255.37	373.75
	<b>22,801.46</b>	<b>19,896.12</b>

### A Payment to auditor (excluding Goods and Service Tax):

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>As auditor:</b>		
Audit fee*	56.00	49.60
Tax audit fee	4.00	4.00
<b>In other capacity:</b>		
Certification fees*	3.50	3.55
Reimbursement of expenses*	2.41	-
	<b>65.91</b>	<b>57.15</b>

\* Amount includes ₹ 5.63 lakhs paid to erstwhile auditors

### B Details of corporate social responsibility as per Section 135 (5) of Act and Rules made thereunder:

During the year, the Company has spent ₹ 93.00 lakhs (Year ended 31 March 2021: ₹ 123.18 lakhs) towards corporate social responsibility as prescribed under Section 135 of the Act. The details are:

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
1) Gross amount required to be spent by the Company during the year	93.00	122.52
2) Amount spent by the Company during the year:		
Construction/acquisition of any asset	-	-
On purposes other than above	93.00	123.18
3) Amount remaining to be spent by the Company during the year	-	-

# Notes to the Standalone Financial Statements

## NOTE 36: EARNINGS PER SHARE ('EPS')

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

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

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

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
(a) Profit attributable to equity shareholders	925.17	2,086.08
(b) Weighted average number of equity shares outstanding for computing basic EPS	234.53	234.53
(c) Effect of potential equity shares on Employee Stock Appreciation Rights ('ESAR')*	-	-
(d) Weighted average number of equity shares outstanding for computing diluted EPS [(b) + (c)]	<b>234.53</b>	<b>234.53</b>
EPS (in ₹)		
Basic (Face value of ₹ 5 each)	3.94	8.89
Diluted (Face value of ₹ 5 each)	3.94	8.89

\* ESAR are anti-dilutive in nature and accordingly, the same has not been considered for the purpose of calculation of Diluted EPS.

## NOTE 37: EMPLOYEE BENEFITS

### (a) Defined contribution plans

#### a. Provident fund

The Company makes provident fund contributions to defined contribution plan for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs. The Company has no obligation, other than the contribution payable to the fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>Included in contribution to provident and other funds under Employees benefit expenses</b>		
Provident fund	250.89	219.90

### (b) Defined benefit plans

#### Gratuity - Non-funded

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is unfunded.

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Current	53.39	40.75
Non-current	403.07	415.87
	<b>456.46</b>	<b>456.62</b>

## Notes to the Standalone Financial Statements

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for gratuity:

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>I (a) Expense recognised in the statement of profit and loss</b>		
Current service cost (Refer Note 32)	68.43	51.48
Interest cost on benefit obligation(Refer Note 33)	27.70	25.37
Components of defined benefit costs recognised in statement of profit and loss	<b>96.13</b>	<b>76.85</b>
<b>(b) Included in other comprehensive income</b>		
Actuarial gain / (loss) for the year on defined benefit obligation		
Actuarial (gain) / loss due to change in financial assumptions	23.20	(17.05)
Actuarial (gain) / loss due to experience adjustments	1.23	20.18
Actuarial (gain) / loss recognised in other comprehensive income	<b>24.43</b>	<b>3.13</b>
<b>II Change in present value of defined benefit obligation during the year</b>		
1. Present value of defined benefit obligation at the beginning of the year	456.62	390.36
2. Interest cost	27.70	25.37
3. Current service cost	68.43	51.48
4. Benefits paid	(71.86)	(7.46)
5. Actuarial gain / (loss) on obligation	24.43	3.13
6. Present value of defined benefit obligation at the end of the year	<b>456.46</b>	<b>456.62</b>

### Details of asset-liability matching strategy

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy devised for the plan.

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

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Discount rate (%)	6.95%	6.35%
Future salary increases:	7.00%	7.00%
Mortality	Indian assured lives mortality (2012-14) table	Indian assured lives mortality (2012-14) table
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

A quantitative sensitivity analysis for significant assumption is shown below:

	Discount rate	
	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Impact on defined benefit obligation</b>		
Impact of 0.50% increase in rate	(17.82)	(18.47)
Impact of 0.50% decrease in rate	19.19	19.90

# Notes to the Standalone Financial Statements

	Future salary increases	
	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Impact on defined benefit obligation</b>		
Impact of 0.50% increase in rate	16.91	16.81
Impact of 0.50% decrease in rate	(16.27)	(16.24)

	Withdrawal rate	
	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Impact on defined benefit obligation</b>		
Impact of 10% increase in rate	(0.20)	(1.65)
Impact of 10% decrease in rate	0.15	1.75

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

### The following payments are expected in future years:

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Within the next 12 months (next annual reporting period)	53.39	40.75
Between 2 and 5 years	146.66	153.64
Beyond 5 years	217.58	219.82

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.64 years (As at 31 March 2021: 8.60 years)

## NOTE 38: LEASES

### i) Company as a lessee

The Company has lease contracts for land, building and manufacturing facilities with lease term ranging between 2 to 10 years. There are certain lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Company also has certain leases of office premises and warehouses with lease term of 12 months or less and those of low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions as available in Ind AS 116 'Leases' for these leases.

# Notes to the Standalone Financial Statements

## a) Amounts recognised in profit and loss

The following amounts are recognised in the statement of profit or loss

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Depreciation of Right-of-use assets	1,624.53	1,480.98
Interest on lease liabilities	500.18	569.23
Expenses related to short term leases and leases of low - value assets	142.74	115.45
	<b>2,267.45</b>	<b>2,165.66</b>

## b) The carrying amounts of lease liabilities and the movements during the year:

	31 March 2022 ₹ lakhs	31 March 2021 ₹ lakhs
<b>As at 1 April</b>	<b>4,710.41</b>	<b>7,033.01</b>
Addition during the year	2,409.28	1,447.16
Derecognised during the year	(700.90)	(2,536.22)
Accretion of interest	500.18	569.23
Payments	(1,939.24)	(1,802.77)
<b>As at 31 March</b>	<b>4,979.73</b>	<b>4,710.41</b>
<b>The above amount is classified as:</b>		
Non-current	3,572.41	3,407.53
Current	1,407.32	1,302.88
	<b>4,979.73</b>	<b>4,710.41</b>

Refer Note 3(b) for additions to Right-of-Use Assets and the carrying amount of Right-of-Use Assets as at the year end. Further, Refer Note 48 for maturity analysis of lease liabilities.

## c) Amount as per the Statement of Cash Flows:

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Repayment of lease liabilities	1,439.06	1,396.94
Interest paid on lease liabilities	500.18	405.83
Short term leases, leases of low value assets and variable lease payments	142.74	115.45
<b>Total Cash outflow for leases</b>	<b>2,081.98</b>	<b>1,918.22</b>

## NOTE 39: COMMITMENTS AND CONTINGENCIES

### I. Capital commitments

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	642.99	513.03

# Notes to the Standalone Financial Statements

## II. Other commitments

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
(a) Preservation charges payable to cold storage owners	393.22	302.72
(b) Uncalled liability on partly paid up shares of Avadh Snacks Private Limited ("Subsidiary")	1,000.00	1,000.00

## III. Contingent liabilities (to the extent not provided for)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Claims against the Company not acknowledged as debts		
Disputed income tax liability (excluding interest and penalty)*	-	570.50
Provident fund**	Amount not determinable	Amount not determinable
	-	<b>570.50</b>

### Notes:

\* The Company had received an Income tax demand order disallowing the deduction claimed by the Company u/s 80 IB of the Income tax Act, 1961. The Company has filed an appeal against the said orders before Commissioner of Income tax Appeals (CIT (A)) which is pending for disposal as at year end. During the year the Company has updated its risk assessment of this order and concluded that the demand is not tenable and the risk is remote. Accordingly, this order is not included in the contingent liabilities of the Company as on 31 March 2022.

\*\* There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28 February 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its standalone financial statement, the company has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1 March 2019 i.e., immediately after pronouncement of the judgement. The Company will evaluate its position, in case there is any other interpretation issued in future either in form of Social Security Code 2020, or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.

The Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are notified.

The Company, in respect of the above mentioned contingent liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

## NOTE 40: RELATED PARTY TRANSACTIONS

### Names of related parties and related party relationship

<b>(a) Related parties where control exists:</b>	
<b>Subsidiary</b>	Avadh Snacks Private Limited
<b>(b) Other related parties with whom transactions have taken place during the current year or previous year:</b>	
<b>Enterprise having significant influence</b>	SCI Growth Investment II
<b>Key management personnel ("KMP")</b>	Mr. Arvind Mehta, Chairman and Executive Director
	Mr. Amit Kumat, Managing Director and Chief Executive Officer
	Mr. Apoorva Kumat, Executive Director - Operations
	Mrs. Anisha Motwani, Independent Director
	Mr. Vineet Kumar Kapila, Independent Director
<b>Key management personnel ("KMP")</b>	Mr. Haresh Ram Chawla, Independent Director (till 15 June 2021)
	Mr. Chetan Kumar Mathur, Independent Director
	Mr. Bharadwaj Thiruvenkata Venkatavaraghavan, Independent Director



## Notes to the Standalone Financial Statements

<b>Relatives of key management personnel</b>	Mr. Rajesh Mehta, Brother of Mr. Arvind Mehta
	Mr. Naveen Mehta, Brother of Mr. Arvind Mehta
	Mr. Arun Mehta, Brother of Mr. Arvind Mehta
	Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta
	Mrs. Rita Mehta, Wife of Mr. Arun Mehta
	Mrs. Premlata Kumat, Mother of Mr. Amit Kumat
	Mrs. Swati Bapna, Sister of Mr. Amit Kumat
	Mrs. Rakhee Kumat, Wife of Mr. Amit Kumat
	Mrs. Sandhya Kumat, Wife of Mr. Apoorva Kumat
	Mr. Satvik Kumat, Son of Mr. Apoorva Kumat
<b>Company in which relatives of KMP have control</b>	Vyapaar Vistar Tech Private Limited
<b>(c) Enterprise where control over the composition of governing body exists</b>	Prataap Snacks Employees Welfare Trust

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>a. Interest income</b>		
Enterprise where control over the composition of governing body exists	87.18	86.42
	<b>87.18</b>	<b>86.42</b>
<b>b. Sales of goods</b>		
Subsidiary	1,033.96	816.34
	<b>1,033.96</b>	<b>816.34</b>
<b>C. Sales of raw material</b>		
Subsidiary	48.21	-
	<b>48.21</b>	-
<b>d. Sales of packing material</b>		
Subsidiary	12.10	-
	<b>12.10</b>	-
<b>e. Purchase of goods</b>		
Subsidiary	10.71	131.26
	<b>10.71</b>	<b>131.26</b>
<b>f. Purchase of raw material</b>		
Subsidiary	4.79	-
	<b>4.79</b>	-
<b>g. Remuneration - short term employee benefits</b>		
Key managerial personnel*	247.50	202.50
Independent directors sitting fees and commission (including reimbursement of expenses)**	55.18	63.28
	<b>302.68</b>	<b>265.78</b>
<p>* Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.</p> <p>** Includes provision for commission payable to Independent Directors amounting to ₹ 20 lakhs (31 March 2021: ₹ 25 lakhs)</p>		

## Notes to the Standalone Financial Statements

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>h. Dividend</b>		
Enterprise having significant influence	41.97	83.93
Key managerial personnel	8.48	16.96
Relatives of key management personnel	18.60	37.19
	<b>69.05</b>	<b>138.08</b>
<b>i. Loan repaid</b>		
Enterprise where control over the composition of governing body exists	138.32	-
	<b>138.32</b>	-
<b>j. Services received</b>		
Subsidiary	46.12	-
Company in which relatives of KMP have control*	81.28	17.00
	<b>127.40</b>	<b>17.00</b>
<i>*Includes provision amounting to ₹ 13.82 lakhs (31 March 2021: ₹ 2.61 lakhs)</i>		
<b>k. Guarantee cancelled</b>		
Key managerial personnel	-	300.00
	-	<b>300.00</b>

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>l. Closing balances</b>		
<b>Loans receivables</b>		
Enterprise where control over the composition of governing body exists	1,763.66	1,814.80
	<b>1,763.66</b>	<b>1,814.80</b>
<i>*Includes interest accrued amounting to ₹ 643.01 lakhs (As at 31 March 2021: ₹ 627.65 lakhs)]</i>		
<b>Trade receivables</b>		
Subsidiary	42.54	26.45
	<b>42.54</b>	<b>26.45</b>
<b>Trade payable</b>		
Subsidiary	19.27	3.68
Company in which relatives of KMP have control	26.99	5.77
	<b>46.26</b>	<b>9.45</b>

### Terms and conditions of transactions with related parties

The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

### NOTE 41: SEGMENT INFORMATION

For management purpose, the Company comprise of only one reportable segment – Snacks food. The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

# Notes to the Standalone Financial Statements

## A Information about products and services

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>Revenue from sale of goods to external customers</b>		
Finished goods	1,20,675.03	99,893.86
Traded goods	301.61	183.77
	<b>1,20,976.64</b>	<b>1,00,077.63</b>

## B Information about geographical areas

	Sale of goods ₹ lakhs	Non current assets ₹ lakhs
<b>Year ended 31 March 2022</b>		
India	1,20,790.75	32,473.41
Outside India	185.89	-
<b>Total</b>	<b>1,20,976.64</b>	<b>32,473.41</b>
<b>Year ended 31 March 2021</b>		
India	99,833.11	32,770.16
Outside India	244.52	-
<b>Total</b>	<b>1,00,077.63</b>	<b>32,770.16</b>

## C Notes

- Segment revenue in the geographical segments considered for disclosure are as follows:
  - Revenue within India includes sales to customers located within India.
  - Revenue outside India includes sales to customers located outside India.
- The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.
- Non current assets consist of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development.

### NOTE 42: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF THE ACT

Included in financial assets are certain loans the particulars of which are disclosed below as required by Section 186(4) of the Act

Name of the loanee	Rate of interest	Due date	Opening balance* ₹ lakhs	Loan given ₹ lakhs	Loan repaid ₹ lakhs	Closing balance* ₹ lakhs
<b>Prataap Snacks Employees Welfare Trust ('PSEWT')</b>						
<b>Year ended 31 March 2022</b>	5%	31 March 2025	1,187.15	-	66.50	1,120.65
Year ended 31 March 2021	5%	31 March 2023	1,187.15	-	-	1,187.15

\*Excludes interest accrued amounting to ₹ 643.01 lakhs (As at 31 March 2021: ₹ 627.65 lakhs)

**Purpose of loan** - The loan has been given to PSEWT for further advancement to the employees of the Company for purchase of Company's share under erstwhile Employee Stock Purchase Plan.

# Notes to the Standalone Financial Statements

## NOTE 43: GOVERNMENT GRANT

Government grant consists of GST incentive amounting to ₹ 65.95 lakhs (31 March 2021: ₹ 80.61 lakhs), freight subsidy amounting to ₹ 336.78 lakhs (31 March 2021: ₹ 31.73 lakhs) and capital subsidy amounting to ₹ 335.63 lakhs (31 March 2021: ₹ 276.17 lakhs). There are no unfulfilled conditions or contingencies attached to these grants.

## NOTE 44: EXCEPTIONAL ITEM

There was a fire accident in one of the Company's plants situated at Howrah, West Bengal, on 3 November 2021. The fire has severely impacted the building, plant & machinery, leasehold improvements, and inventories lying at the plant; however, there were no human casualties. The total impact of this event is ₹ 1,393.76 lakhs. Considering the nature of the event and magnitude of impact, this amount is disclosed as an exceptional item in the statement of profit and loss for the year ended 31 March 2022. Pending completion of the survey and acceptance of the claim by the insurance company, the insurance claim receivable has not been recorded in the statement of profit and loss for the year ended 31 March 2022.

## NOTE 45: EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on 9 August 2019 and 4 February 2022 have granted 3,47,000 and 59,800 Stock Appreciation Rights ('SAR') respectively to eligible employees of the Company and its subsidiary under the Prataap Employees Stock Appreciation Rights Plan 2018 ('ESAR'). The said ESAR was approved by the shareholders in their Annual General Meeting held on 28 September 2018. The rights entitle the employees, to equity shares of the Company on the satisfaction of service conditions attached to the grant and consequent exercise of the rights by the employees. The SAR's shall be vested in four equal instalments every year commencing from the end of one year from the grant date. The number of equity shares to be issued shall be determined based on the difference between the base price as per the scheme and the share price on the date of exercise. The SAR's expire at the end of 5 years from the grant date.

Movement during 31 March 2022				
Total for all grants	No. of Options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,47,000	775.00	775.00	3.86
Granted during the year	59,800	842.70	842.70	5.35
Forfeited / Cancelled during the year	1,56,634	775.00	775.00	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,50,166	775 - 842.70	791.18	3.42
Exercisable at the end of the year	1,00,761	775.00	775.00	1.89

## Movement during 31 March 2021

Total for all grants	No. of Options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,47,000	775.00	775.00	3.86
Granted during the year	-	-	-	-
Forfeited / Cancelled during the year	-	-	-	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	3,47,000	775.00	775.00	3.86
Exercisable at the end of the year	1,73,500	775.00	775.00	3.86

# Notes to the Standalone Financial Statements

## Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of SAR's to employees. The fair value of SAR's is estimated on the date of grant using the Black Scholes model. The fair value of SAR's and inputs used in the measurement of fair values on the grant date are as follows:

	Grant Date	
	09 August 2019	04 February 2022
Fair value at the grant date	257.24	241.45
Share price at the grant date	778.45	842.70
Exercise Price	778.45	842.70
Risk Free Interest Rate	6.02%	5.05%
Expected Life (in years)	4.01	2.50
Expected Volatility	30.25%	39.86%
Dividend Yield	0.13%	0.09%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term.

## Amount recognised in the standalone financial statement related to employee stock appreciation rights

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Employee stock appreciation rights expense - included in Employee benefits expense (Refer Note 32)	(82.86)	313.37
Carrying amount of Employee stock appreciation rights reserve - included in Other Equity (Refer Note 18)	502.10	584.96

## NOTE 46: FAIR VALUES

	Note	Carrying value	
		As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Financial assets</b>			
<b>Measured at Amortised Cost</b>			
Loans	6, 14	1,880.49	1,927.20
Subsidy receivable	7, 15	2,927.44	2,598.06
Trade receivables	11	1,570.74	2,556.46
Cash and bank balances	12	1,702.96	951.73
Bank balance other than cash and cash equivalents	13	580.72	1,555.48
Other financial assets	7, 15	7,885.35	5,364.50
		<b>16,547.70</b>	<b>14,953.43</b>

# Notes to the Standalone Financial Statements

	Note	Carrying value	
		As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Financial liabilities</b>			
<b>Measured at Amortised Cost</b>			
Lease liabilities	38	4,979.73	4,710.41
Borrowings	19	3,008.22	1,014.18
Trade payables	24	8,419.18	8,304.03
Other financial liabilities	25	798.88	583.32
		<b>17,206.01</b>	<b>14,611.94</b>
<b>Measured at Fair value through profit and loss</b>			
Deferred contingent consideration	20 , 25	3,003.64	3,557.99
		<b>3,003.64</b>	<b>3,557.99</b>

The management assessed that fair value of trade receivables, other current financial assets, current loans, cash and bank balances, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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

## NOTE 47: FAIR VALUE HIERARCHY

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

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>I) Financial assets/liabilities at amortised cost</b>		
The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except subsidy receivables for which the fair value are as follows:		
Fair value of subsidy measured at amortised cost (Level 2)	2,532.14	1,577.27
<b>II) Financial liabilities at fair value through profit &amp; loss</b>		
Deferred contingent consideration (Level 3)	3,003.64	3,557.99

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

**Level 1:** The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

**Level 2:** The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

**Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

# Notes to the Standalone Financial Statements

There are no transfers between different fair value hierarchy levels in 31 March 2022 and 31 March 2021.

## Fair value measurements

The following table shows the valuation technique used in measuring level 2 and level 3 values for financial instruments

Financial Asset / Liabilities	Valuation Technique	Significant unobservable inputs
Subsidy Receivable (Level 2)	The valuation model considers the present value of expected future cash flows discounted using discount rate as on the reporting date	Not Applicable
Deferred contingent consideration (Level 3)	31- March 2022 - The valuation model considers the estimate of present value of maximum earn out value that will be payable for written put option to purchase balance 9.52% stake in Avadh Snacks Private Limited.	Discount rate 31 March 2022 - NA 31 March 2021 - 8.50%
	31- March 2021 -The valuation model considers the estimate of present value of maximum earn out value that will be payable for written put option to purchase balance 9.52% stake in Avadh Snacks Private Limited.	Expected profitability 31 March 2022 - NA 31 March 2021 - 15.00%

Sensitivity Analysis (Level 3 fair values)	Sensitivity	Significant unobservable inputs
Deferred contingent consideration	31 March 2022 - A change of 100 basis points would increase / decrease the fair value by ₹ 40.00 lakhs	Discount rate
	31 March 2021 -A change of 100 basis points would increase / decrease the fair value by ₹ 48.00 lakhs	
	31 March 2022 - A change of 100 basis points would increase / decrease the fair value by ₹ 44.00 lakhs	Expected profitability
	31 March 2021 -A change of 100 basis points would increase / decrease the fair value by ₹ 28.00 lakhs	

## A reconciliation of fair value measurement of the deferred contingent consideration is provided below:

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Opening balance as at 1 April	3,557.99	6,858.00
Purchase of 10.48% stake in Avadh Snacks Private Limited	-	(3,300.01)
Change in the fair value during the year recognised in the statement of profit and loss (unrealised)*	(554.35)	-
<b>Closing balance as at 31 March</b>	<b>3,003.64</b>	<b>3,557.99</b>

\*The Board of directors in their meeting held on 29 September 2021 had approved the scheme of amalgamation ("scheme") pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013, providing for the amalgamation of its subsidiaries Avadh Snacks Private Limited and Red Rotopack Private Limited with the Company. The appointed date as per the scheme is 1 April 2021. Further, the Company has filed the necessary application with the exchanges and SEBI for the requisite approval and approval is awaited. The Company based on the updated fair valuation performed for merger application, had re-measured the deferred contingent consideration and recorded a gain in re-measurement of ₹ 554.35 lakhs as other income for the year ended 31 March 2022. The effect of the scheme would be recognised on receipt of statutory approvals.

# Notes to the Standalone Financial Statements

## NOTE 48: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, subsidy receivable, cash and cash equivalents, trade receivables and other receivables that are derived directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks.

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and price risk, such as equity price risk. The Company is not significantly exposed to currency risk and price risk whereas the exposure to interest risk is given below.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings.

	Carrying value	
	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Borrowings (variable interest rate)	3,008.22	1,014.18

### Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for term loans that have floating rate at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If the interest rates had been 100 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	Year ended 31 March 2022		Year ended 31 March 2021	
	100 bps increase ₹ lakhs	100 bps decrease ₹ lakhs	100 bps increase ₹ lakhs	100 bps increase ₹ lakhs
Interest expenses on loan	2.21	(2.21)	1.03	(1.03)
Effect on profit before tax and equity	(2.21)	2.21	(1.03)	1.03

### Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk arising on its trade receivables. Based on the historical experience and credit profile of counterparties (schedule banks, government and employees), the Company does not expect any significant risk of defaults arising on financial assets except trade receivables i.e. loans, subsidy receivables, cash and cash equivalents and other financial assets.



## Notes to the Standalone Financial Statements

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Trade receivables	1,570.74	2,556.46
	<b>1,570.74</b>	<b>2,556.46</b>

Refer Note a below for credit risk and other information in respect of trade receivables.

### a. Trade receivables

Customer credit is managed by the Company's through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date, the further shipments are controlled and can only be released if there is a proper justification.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Based on the industry practices and the business environment in which the Company operate, management considers the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	Current but not due ₹ lakhs	Outstanding for following periods from due date of payment					Total ₹ lakhs
		Less than 6 Months ₹ lakhs	6 months – 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	
<b>As at 31 March 2022</b>							
Undisputed Trade Receivables – considered good	-	1,581.28	359.95	-	-	-	1,941.23
Undisputed Trade receivable – credit impaired	-	-	-	80.49	143.64	215.18	439.31
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	0.03	3.63	62.34	66.00
	<b>-</b>	<b>1,581.28</b>	<b>359.95</b>	<b>80.52</b>	<b>147.27</b>	<b>277.52</b>	<b>2,446.54</b>
Expected loss rate	-	1.95%	94.34%	100.00%	100.00%	100.00%	
<b>Loss allowance provision</b>	<b>-</b>	<b>30.90</b>	<b>339.59</b>	<b>80.52</b>	<b>147.27</b>	<b>277.52</b>	<b>875.80</b>
<b>As at 31 March 2021</b>							
Undisputed Trade Receivables – considered good	849.51	1,717.51	17.70	-	-	-	2,584.72
Undisputed Trade receivable – credit impaired	-	-	-	98.88	139.61	201.91	440.40
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
	<b>849.51</b>	<b>1,717.51</b>	<b>17.70</b>	<b>98.88</b>	<b>139.61</b>	<b>201.91</b>	<b>3,025.12</b>
Expected loss rate	0.44%	0.44%	95.92%	100.00%	100.00%	100.00%	
<b>Loss allowance provision</b>	<b>3.71</b>	<b>7.56</b>	<b>16.99</b>	<b>98.88</b>	<b>139.61</b>	<b>201.91</b>	<b>468.66</b>

# Notes to the Standalone Financial Statements

## Reconciliation of loss allowance provision for trade receivables

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Balance as at beginning of the year	468.66	526.91
Add/ (less): Provision for expected credit losses	407.14	(58.25)
<b>Balance at end of the year</b>	<b>875.80</b>	<b>468.66</b>

## Liquidity Risk

### (i) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's principle sources of liquidity are cash and bank balances, fixed deposits and the cash flow that is generated from operations. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, liquidity risk is considered as low. The Company closely monitors its liquidity position and also maintains adequate source of funding.

### (ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Carrying value ₹ lakhs	Less than 1 Year ₹ lakhs	1 - 5 Years ₹ lakhs	More than 5 years ₹ lakhs	Total ₹ lakhs
<b>As at 31 March 2022</b>					
<b>Non-Current liabilities:</b>					
(i) Lease liabilities	3,572.41	-	3,428.21	869.82	4,298.03
<b>Current liabilities:</b>					
(i) Borrowings	3,008.22	3,008.22	-	-	3,008.22
(ii) Lease liabilities	1,407.32	1,798.01	-	-	1,798.01
(iii) Trade payables	8,419.18	8,419.18	-	-	8,419.18
(iv) Other financial liabilities	3,802.52	3,802.52	-	-	3,802.52
	<b>20,209.65</b>	<b>17,027.93</b>	<b>3,428.21</b>	<b>869.82</b>	<b>21,325.96</b>
<b>As at 31 March 2021</b>					
<b>Non-Current liabilities:</b>					
(i) Lease liabilities	3,407.53	-	3,794.01	113.86	3,907.87
(ii) Other financial liabilities	3,557.99	-	4,004.00	-	4,004.00
<b>Current liabilities:</b>					
(i) Borrowings	1,014.18	1,014.18	-	-	1,014.18
(ii) Lease liabilities	1,302.88	1,674.91	-	-	1,674.91
(iii) Trade payables	8,304.03	8,304.03	-	-	8,304.03
(iv) Other financial liabilities	583.32	583.32	-	-	583.32
	<b>18,169.93</b>	<b>11,576.44</b>	<b>7,798.01</b>	<b>113.86</b>	<b>19,488.31</b>

## Notes to the Standalone Financial Statements

### Changes in liabilities arising from financing activities:

	As at 1 April 2021	Non Cash Changes			Cash flow changes	As at 31 March 2022
	₹ lakhs	Accretion of interest ₹ lakhs	New leases recognised during the year ₹ lakhs	Leases derecognised during the year ₹ lakhs	₹ lakhs	₹ lakhs
Lease liabilities	4,710.41	500.18	2409.28	(700.90)	(1,939.24)	4,979.73
Borrowings	1,014.18	9.33	-	-	1,984.71	3,008.22
	<b>5,724.59</b>	<b>509.51</b>	<b>2,409.28</b>	<b>(700.90)</b>	<b>45.47</b>	<b>7,987.95</b>

	As at 1 April 2020	Non Cash Changes			Cash flow changes	As at 31 March 2021
	₹ lakhs	Accretion of interest ₹ lakhs	New leases recognised during the year ₹ lakhs	Leases derecognised during the year ₹ lakhs	₹ lakhs	₹ lakhs
Lease liabilities	7,033.01	569.23	1,447.16	(2,536.22)	(1,802.77)	4,710.41
Borrowings	300.00	-	-	-	714.18	1,014.18
	<b>7,333.01</b>	<b>569.23</b>	<b>1,447.16</b>	<b>(2,536.22)</b>	<b>(1,088.59)</b>	<b>5,724.59</b>

### NOTE 49: RATIO ANALYSIS AND ITS ELEMENTS

	Numerator	Denominator	Year ended 31 March 2022	Year ended 31 March 2021	% change
Current ratio	Current Assets	Current Liabilities	1.30	1.74	-25%
Debt- equity ratio <sup>1</sup>	Borrowings	Equity	0.05	0.02	193%
Debt service coverage ratio <sup>2</sup>	Earnings for debt service = Profit for the year + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.65	2.81	-77%
Return on equity ratio <sup>3</sup>	Profit for the year	Average Equity	0.01	0.03	-57%
Inventory turnover ratio	Cost of goods sold = Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories of finished goods and stock-in-trade	Average Inventories	7.02	5.73	22%
Trade receivable turnover ratio <sup>4</sup>	Sale of products	Average Trade receivables	58.62	34.87	68%
Trade payable turnover ratio	Purchases of stock-in-trade + Purchases of Raw Material and Packing Material + Other expense	Average Trade payables	13.50	10.78	25%
Net capital turnover ratio <sup>5</sup>	Sale of products	Working capital = Current Assets – Current Liabilities	21.71	10.61	105%
Net profit ratio	Profit for the year	Revenue from operations	0.01	0.02	-63%
Return on capital employed	Profit before tax + Finance costs	Capital Employed = Equity + Borrowings + Deferred tax liabilities (net) - Deferred tax assets (net)	0.02	0.04	-53%
Return on investment	Other income (Bank deposits)	Fixed deposit	0.06	0.07	-21%

# Notes to the Standalone Financial Statements

## Notes:

<sup>1</sup> Debt - equity ratio - Increase in short term unsecured debt resulted in increase in ratio.

<sup>2</sup> Debt service coverage ratio - Decrease in profit for the year due to loss by fire and reduction in margins has resulted in decrease in ratio.

<sup>3</sup> Return on equity ratio - Decrease in profit for the year due to loss by fire and reduction in margins has resulted in decrease in ratio.

<sup>4</sup> Trade receivable turnover ratio - Increase in sales in the current year has resulted in the improvement of this ratio.

<sup>5</sup> Net capital turnover ratio - Decrease in working capital due to reclassification of deferred contingent consideration from non-current to current has resulted in increase in the ratio.

<sup>6</sup> Net profit ratio - Decrease is primarily due to increase in commodity prices and loss by fire.

## NOTE 50: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company's policy is to keep healthy debt equity ratio ensuring minimum debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Debt* (A)	3,008.22	1,014.18
Equity (B)	62,091.43	61,350.50
Debt / Equity ratio (A / B)	0.05	0.02

\*Excluding lease liabilities

## NOTE 51: OTHER STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off under section 248 of Companies act 2013
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

## Notes to the Standalone Financial Statements

- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company do not have any such transactions which has not been recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) The company has not been declared as wilful defaulter by any bank of financial institution or other lender

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248WW-100022

Chartered Accountants

**Vikram Advani**

Partner

Membership no.: 091765

UDIN:22091765AJHMHX1572

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

**Amit Kumat**

Managing Director and

Chief Executive Officer

DIN - 02663687

**Apoorva Kumat**

Executive Director (Operations)

DIN - 02630764

**Sumit Sharma**

Chief Financial Officer

**Om Prakash Pandey**

Company Secretary

Place : Indore

Date : 20 May 2022

Place : Indore

Date : 20 May 2022

# Independent Auditor's Report

To the Members of Prataap Snacks Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the consolidated financial statements of Prataap Snacks Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2022, of its consolidated

### Description of Key Audit Matter

#### Revenue Recognition

See note 2.3 and 27 to the consolidated financial statements

#### The key audit matter

Revenue from the sale of goods is recognized when control is transferred to the customer and is measured net of discounts, rebates, incentives and other similar items (collectively 'discounts and rebates').

Significant estimation is involved in recognition and measurement of rebates and discounts. This includes estimating the amount of consideration to which the group will be entitled in exchange for transferring the goods to the customer based on historical experience and the specific terms of the scheme. This involves a risk of error in estimation, unrecorded accruals for variable consideration.

There is a risk of revenue being overstated because of fraud, resulting from the pressure local management may feel to achieve performance targets.

profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of Group's revenue recognition accounting policy in accordance with relevant accounting standard including those relating to discounts and rebates.
- Tested the design, implementation and operating effectiveness of key internal controls over revenue recognition including anti-fraud controls, general IT controls and key IT application controls.
- Performed substantive testing by selecting samples using statistical sampling for revenue transactions recorded during the year by obtaining independent confirmations from customers or underlying documents like Invoices, Lorry Receipts, Customer acknowledgement etc.

**The key audit matter**

Revenue is also an important element of how the group measures its performance. The Group focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before control has been transferred.

Accordingly, we identified the revenue recognition including estimation of variable consideration as a key audit matter.

**How the matter was addressed in our audit**

- Performed test of specific revenue transactions recorded during the year end to determine that revenue is recognised in correct period.
- Performed substantive analytical procedures over revenue and discounts to identify unusual variances.
- Performed substantive testing over discounts and rebates including the following procedures:
  - a. For samples, read the terms of contract and incentive schemes as approved by authorized personnel
  - b. Evaluated the assumptions used in estimation of variable consideration by comparing with the past trends, actual claims etc.
  - c. Assessed the accuracy of prior period accruals for variable consideration by reference to actual claims presented by the customer.
- Examined the customer reconciliations performed by the management to determine completeness of balances recorded in the books.
- Obtained independent confirmations from sample customers and reconciled the balance with the amounts recorded in the books.
- Tested manual journal entries posted to revenue including discount and rebates which are unusual in nature.

**Measurement of deferred tax assets and MAT credit**

See note 2.3 and 21 to the consolidated financial statements

**The key audit matter**

As at 31 March 2022, the Holding Company has recognized deferred tax asset (net) of ₹ 1,677.91 lakhs (including Minimum Alternate Tax (MAT) credit receivable of ₹ 1,767.54 lakhs).

Taxation Laws (Amendment) Act, 2019 (new tax regime) provides an option to pay income tax at reduced rates but opting for such concessional rates would result in loss of availability of MAT credit.

Deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse. The Holding Company has measured its deferred tax balances basis expected financial year when the Holding Company is likely to move to the new tax regime.

The measurement of MAT credit receivable and deferred tax balances involves estimation of the year of transition to the new tax regime which involves significant estimate of the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Holding Company.

**How the matter was addressed in our audit**

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of accounting policies with respect to recognition and measurement of deferred tax balances in accordance with relevant accounting standard.
- Obtained an understanding, tested the design, implementation and operating effectiveness of the internal controls over the measurement of deferred tax balances.
- Evaluated the reasonableness of the estimate of expected financial year when the Holding Company is likely to move to the new tax regime by performing following key procedures:
  - a. Obtained management's evaluation of expected financial year when the Holding Company is likely to move to the new tax regime.
  - b. Involved our tax specialists to evaluate the Holding Company's tax positions basis the tax law.

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>c. Inspected the future business plans and approved financial projections.</li> <li>d. Evaluated and challenged the key assumptions used in the financial projections based on historical data and economic and industry forecasts.</li> <li>e. Tested the determination of temporary differences which are expected to reverse before and after the date when the Holding Company is expected to move to new tax regime.</li> </ul> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of disclosures in accordance with the requirements of relevant standard.</li> </ul>

### Impairment of Goodwill

See note 2.3 and 4 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2022, the group's consolidated balance sheet include goodwill aggregating to ₹ 4,611 lakhs pertaining to Avadh Snacks, the subsidiary i.e. cash generating unit (CGU).</p> <p>In accordance with the provisions of relevant accounting standard, goodwill is tested for impairment at least annually.</p> <p>Impairment assessment of goodwill involves significant estimates and judgment, due to the inherent uncertainty involved in forecasting and discounting future cash flows and in determining the recoverable amount.</p> <p>Considering the significance of this matter in the context of total assets of the Group and given the significant judgement involved, this is identified as a key audit matter for year ended 31 March 2022.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding, tested the design, implementation and operating effectiveness of the internal controls over impairment assessment of goodwill.</li> <li>• Performed substantive testing of impairment assessment of goodwill including the following key procedures: <ul style="list-style-type: none"> <li>a. Evaluated and challenged significant assumptions and judgements used in impairment analysis with particular attention to discount rate, revenue projections, the long-term growth rate etc. based on economic and industry forecasts with the assistance of our valuations specialist.</li> <li>b. Performed sensitivity analysis of the key assumptions used in determining the recoverable value.</li> <li>c. Assessed the accuracy of prior period cash flow forecasts of the Company by reference to actual performance to assess forecast accuracy.</li> <li>d. Evaluated the adequacy of disclosures, including disclosures of key assumptions, and judgements.</li> </ul> </li> </ul>

### Identification of intangible assets and determination of useful life

See note 2.3 and 4 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2022, the group's consolidated balance sheet include other intangibles i.e. distributor network and Trade name aggregating to ₹ 16,093 lakhs. These intangibles were recognised on account of acquisition of Avadh Snacks, the subsidiary in previous years and represent appx. 18% of Group's total assets.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding, tested the design, implementation and operating effectiveness of the internal controls over review of useful life of intangibles.</li> </ul>



### The key audit matter

As per the accounting policy adopted by Group, other intangibles have been amortised over the useful life determined by the management. This useful life is reviewed by management on an annual basis. Based on the review performed, the management has revised the useful life of distributor network during the year ended 31 March 2022.

Identification of other intangibles at the time of accounting for business combination and review of their useful life involve significant judgements in terms of valuation approach, future business plans, key assumptions etc.

Considering the significance of this matter in the context of total assets of the Group and significant judgement involved, this is identified as a key audit matter for year ended 31 March 2022.

### How the matter was addressed in our audit

- Performed the substantive testing over identification of other intangibles and estimate of useful life by performing the following key procedures:
  - a. Obtained an understanding of the share purchase agreement.
  - b. Obtained the purchase price allocation (PPA) report of the external valuer/ consultant.
  - c. Evaluated the competence and objectivity of external valuer.
  - d. Assessed the reasonableness of identified intangibles including their useful lives as determined by the management with the assistance of our valuation specialist.

### OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the 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 and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### MANAGEMENT'S AND BOARD OF DIRECTORS'/ BOARD OF TRUSTEES' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies/ Board of Trustees of the trust included in the Group

are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/ trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies/ Board of Trustees of the trust included in the Group are responsible for assessing the ability of each company/ trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/ Board of Trustees either intends to liquidate the Company/ Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/ Board of Trustees of the trust included in the Group are responsible for overseeing the financial reporting process of each company/ trust.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other 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. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company 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.

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

- (a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,926.24 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 96.18 lakhs and net cash outflows (before consolidation adjustments) amounting to ₹ 85.11 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by 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 the subsidiaries 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 is based solely on the 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 matter with respect to our reliance on the work done and the reports of the other auditors.

- (b) The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on 28 May 2021.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the 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 changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, Refer Note 38 to the consolidated financial statements.
- b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
- c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, incorporated in India during the year ended 31 March 2022.
- d) (i) The respective management of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 49 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of

- such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 49 to the accounts, no funds have been received by the Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiaries shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other

auditors to believe that the representations under sub-clause d (i) and d (ii) contain any material mis-statement.

- e) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 16 to the financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Vikram Advani**  
Partner

Place: Indore  
Date: 20 May 2022

Membership No. 091765  
UDIN : 22091765AJHMZF6541

# Annexure A

## Annexure A to the Independent Auditor's Report on Consolidated Financial Statements (Referred to in our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

Place: Indore  
Date: 20 May 2022

**Vikram Advani**  
Partner  
Membership No. 091765  
UDIN : 22091765AJHMZF6541

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# Annexure B

## Annexure B to the Independent Auditor's report on the consolidated financial statements of Prataap Snacks Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Prataap Snacks Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 (hereinafter referred to as "the Act").

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 the internal controls 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 of the relevant subsidiary company in terms of their reports referred to in the Other Matters 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.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

A company's internal financial controls 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 controls 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 controls 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 MATTERS**

Our aforesaid reports 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 a subsidiary company, which is Company incorporated in India, is based on the corresponding report of the auditor of such subsidiary company incorporated in India.

For **B S R & Co. LLP**

Chartered Accountants

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

**Vikram Advani**

Partner

Place: Indore

Date: 20 May 2022

Membership No. 091765

UDIN : 22091765AJHMZF6541

# Consolidated Balance Sheet

	Notes	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>I ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipments	3	34,129.62	33,934.22
(b) Capital work-in-progress	3	1,386.31	2,085.69
(c) Goodwill	4	4,611.00	4,611.00
(d) Other Intangible assets	4	16,258.14	17,256.66
(e) Financial assets			
(i) Loans	5	1,785.16	1,829.74
(ii) Other non-current financial assets	6	5,654.58	4,551.69
(f) Deferred tax assets (net)	21	-	21.51
(g) Other tax assets (net)	7	154.24	37.09
(h) Other non-current assets	8	649.42	339.67
<b>TOTAL NON-CURRENT ASSETS</b>		<b>64,628.47</b>	<b>64,667.27</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	9	14,462.33	13,067.81
(b) Financial assets			
(i) Trade receivables	10	1,657.23	2,661.67
(ii) Cash and cash equivalents	11	1,898.88	1,178.47
(iii) Bank balance (other than (ii) above)	12	1,317.70	1,861.70
(iv) Loans	13	116.83	112.40
(v) Other current financial assets	14	5,175.28	3,422.36
(c) Other current assets	15	1,468.05	1,606.61
<b>TOTAL CURRENT ASSETS</b>		<b>26,096.30</b>	<b>23,911.02</b>
<b>TOTAL ASSETS</b>		<b>90,724.77</b>	<b>88,578.29</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	16	1,172.65	1,172.65
(b) Other equity	17	61,252.82	61,138.94
<b>TOTAL EQUITY</b>		<b>62,425.47</b>	<b>62,311.59</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Lease liabilities	37	3,572.41	3,407.53
(ii) Other non-current financial liabilities	19	-	3,557.99
(b) Provisions	20	459.56	450.64
(c) Deferred tax liabilities (net)	21	2,561.44	3,307.11
(d) Other non-current liabilities	22	2,469.09	2,027.88
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,062.50</b>	<b>12,751.15</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	18	3,008.22	1,014.18
(ii) Lease liabilities	37	1,407.32	1,302.88
(iii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		839.69	376.88
Total outstanding dues of trade payables other than micro enterprises and small enterprises		8,174.56	8,477.89
(iv) Other current financial liabilities	24	3,883.87	622.84
(b) Other current liabilities	25	1,845.14	1,464.08
(c) Provisions	20	71.99	70.24
(d) Current tax liabilities (net)	26	6.01	186.56
<b>TOTAL CURRENT LIABILITIES</b>		<b>19,236.80</b>	<b>13,515.55</b>
<b>TOTAL LIABILITIES</b>		<b>28,299.30</b>	<b>26,266.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>90,724.77</b>	<b>88,578.29</b>

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

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022  
Chartered Accountants

**Vikram Advani**

Partner  
Membership no.: 091765  
UDIN:22091765AJHMZF6541

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

**Amit Kumar**

Managing Director and  
Chief Executive Officer  
DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

**Apoorva Kumar**

Executive Director (Operations)  
DIN - 02630764

**Om Prakash Pandey**

Company Secretary

Place : Indore

Date : 20 May 2022

Place : Indore

Date : 20 May 2022

# Consolidated Statement of Profit and Loss

	Notes	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
I Revenue from operations	27	1,39,661.93	1,17,108.88
II Other income	28	1,372.90	884.15
<b>III TOTAL INCOME (I + II)</b>		<b>1,41,034.83</b>	<b>1,17,993.03</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	29	1,04,221.36	84,563.68
(b) Purchases of stock-in-trade		332.49	50.66
(c) Changes in inventories of finished goods and stock-in-trade	30	(860.67)	(305.23)
(d) Employee benefits expense	31	5,718.17	5,330.81
(e) Finance costs	32	671.83	627.18
(f) Depreciation and amortisation expenses	33	5,377.18	5,456.54
(g) Other expenses	34	24,419.65	21,162.29
<b>TOTAL EXPENSES</b>		<b>1,39,880.01</b>	<b>1,16,885.93</b>
<b>V Profit before exceptional item and tax (III - IV)</b>		<b>1,154.82</b>	<b>1,107.10</b>
VI Exceptional item	42	1,393.76	-
<b>VII Profit before tax (V - VI)</b>		<b>(238.94)</b>	<b>1,107.10</b>
<b>VIII Tax expense</b>			
(a) Current tax	21	205.28	408.70
(b) Deferred tax (including Minimum Alternate Tax)	21	(735.12)	(717.19)
<b>Total tax expenses</b>		<b>(529.84)</b>	<b>(308.49)</b>
<b>IX Profit for the year (VII - VIII)</b>		<b>290.90</b>	<b>1,415.59</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement gain on defined benefit plan	36	34.08	23.73
(b) Income tax relating to above	21	(10.97)	(6.27)
<b>Total other comprehensive income (net of tax)</b>		<b>23.11</b>	<b>17.46</b>
<b>XI Total comprehensive income (IX + X)</b>		<b>314.01</b>	<b>1,433.05</b>
<b>XII Earnings per equity share:</b>			
Equity shares of face value of ₹ 5 (31 March 2021: ₹ 5) each			
(a) Basic - ₹	35	1.24	6.04
(b) Diluted - ₹	35	1.24	6.04

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

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022  
Chartered Accountants

**Vikram Advani**

Partner  
Membership no.: 091765  
UDIN:22091765AJHMZF6541

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

**Amit Kumat**

Managing Director and  
Chief Executive Officer  
DIN - 02663687

**Apoorva Kumat**

Executive Director (Operations)  
DIN - 02630764

**Sumit Sharma**

Chief Financial Officer

**Om Prakash Pandey**

Company Secretary

Place : Indore

Date : 20 May 2022

Place : Indore

Date : 20 May 2022



# Consolidated Statement of Changes in Equity

## A. EQUITY SHARE CAPITAL:

	No. in lakhs	₹ lakhs
<b>Issued, subscribed and fully paid up capital</b>		
As at 1 April 2020	234.53	1,172.65
Change in the equity share capital during the year	-	-
<b>As at 31 March 2021</b>	<b>234.53</b>	<b>1,172.65</b>
Change in the equity share capital during the year	-	-
<b>As at 31 March 2022</b>	<b>234.53</b>	<b>1,172.65</b>

## B. OTHER EQUITY:

	Securities premium	Retained earnings	Employee stock appreciation rights reserve (Refer Note 43)	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 1 April 2020	38,282.76	21,072.69	271.59	59,627.04
Profit for the year	-	1,415.59	-	1,415.59
Other comprehensive income				
- Re-measurement gain on defined benefit plan	-	17.46	-	17.46
<b>Total comprehensive income</b>	<b>-</b>	<b>1,433.05</b>	<b>-</b>	<b>1,433.05</b>
<b>Transaction with owners, recorded directly in equity</b>				
<b>Contribution by and distribution to owners</b>				
Employee stock appreciation rights expense	-	-	313.37	313.37
Dividend paid on equity shares	-	(234.53)	-	(234.53)
<b>As at 31 March 2021</b>	<b>38,282.76</b>	<b>22,271.22</b>	<b>584.96</b>	<b>61,138.94</b>

	Securities premium	Retained earnings	Employee stock appreciation rights reserve (Refer Note 43)	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 1 April 2021	38,282.76	22,271.22	584.96	61,138.94
Profit for the year	-	290.90	-	290.90
Other comprehensive income				
- Re-measurement gain on defined benefit plan	-	23.11	-	23.11
<b>Total comprehensive income</b>	<b>-</b>	<b>314.01</b>	<b>-</b>	<b>314.01</b>
<b>Transaction with owners, recorded directly in equity</b>				
<b>Contribution by and distribution to owners</b>				
Employee stock appreciation rights expense	-	-	(82.86)	(82.86)
Dividend paid on equity shares	-	(117.27)	-	(117.27)
<b>As at 31 March 2022</b>	<b>38,282.76</b>	<b>22,467.96</b>	<b>502.10</b>	<b>61,252.82</b>

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022  
Chartered Accountants

**Vikram Advani**

Partner  
Membership no.: 091765  
UDIN:22091765AJHMZF6541

Place : Indore  
Date : 20 May 2022

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

**Amit Kumar**

Managing Director and  
Chief Executive Officer  
DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

Place : Indore  
Date : 20 May 2022

**Apoorva Kumat**

Executive Director (Operations)  
DIN - 02630764

**Om Prakash Pandey**

Company Secretary

# Consolidated Statement of Cash Flows

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>(238.94)</b>	<b>1,107.10</b>
Adjustments to reconcile profit before tax to net cash flows		
<i>Add / (Less) :</i>		
Depreciation and amortisation expenses	5,377.18	5,456.54
Loss on sale of property, plant and equipments	0.28	5.73
Provision for slow moving inventory	(12.74)	26.92
Liabilities written back	(30.00)	-
Trade receivables written off	-	118.88
Allowance for credit losses	421.20	187.21
Provision for doubtful advances	(87.79)	-
Employee stock appreciation rights expense	(82.86)	313.37
Amortisation of deferred Government grant	(741.34)	(276.17)
Remeasurement of Financial liabilities measured at FVTPL	(554.35)	-
Loss by Fire	1,393.76	-
Finance cost	671.83	627.18
Interest income	(818.55)	(884.14)
<b>Operating profit before working capital changes</b>	<b>5,297.68</b>	<b>6,682.62</b>
<b>Working capital adjustments:</b>		
Decrease / (increase) in inventories	(1,815.50)	136.10
Decrease / (increase) in trade receivables	583.25	546.91
Decrease / (increase) in loans and other financial assets	212.89	57.58
Decrease / (increase) in other assets	(13.02)	(165.88)
Increase / (decrease) in trade payables	208.18	108.10
Increase / (decrease) in other financial liabilities	231.72	68.26
Increase / (decrease) in provisions	44.75	92.86
Increase / (decrease) in other liabilities	327.95	582.00
	<b>5,077.90</b>	<b>8,108.55</b>
Income tax paid (net of refund received)	(502.99)	(371.72)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4,574.91</b>	<b>7,736.83</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments including capital work-in-progress and capital advances	(3,086.92)	(3,382.75)
Purchase of intangibles including assets under development	(66.83)	(45.39)
Receipt of government grant	980.80	107.15
Payment of deferred contingent consideration	-	(3,300.01)
Proceeds from sale of property, plant and equipments	29.56	150.81
Investment in fixed deposits with banks not considered as cash and cash equivalents	(7,936.42)	-
Redemption / maturity of fixed deposits with banks not considered as cash and cash equivalents	5,980.44	(1,634.87)
Interest received	476.57	432.21
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(3,622.80)</b>	<b>(7,672.85)</b>

# Consolidated Statement of Cash Flows (contd.)

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	7,800.00	1,000.00
Repayment of lease liabilities	(1,439.06)	(1,396.94)
Interest paid on lease liabilities	(500.18)	(405.83)
Repayment of short-term borrowings	(5,815.29)	(285.82)
Interest paid	(159.90)	(209.01)
Dividend	(117.27)	(234.52)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(231.70)</b>	<b>(1,532.12)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>720.41</b>	<b>(1,468.14)</b>
Cash and cash equivalents at the beginning of the year	1,178.47	2,646.61
<b>Cash and cash equivalents at the end of the year (Refer Note 11)</b>	<b>1,898.88</b>	<b>1,178.47</b>

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022

Chartered Accountants

**Vikram Advani**

Partner

Membership no.: 091765

UDIN:22091765AJHMZF6541

Place : Indore

Date : 20 May 2022

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

**Amit Kumat**

Managing Director and

Chief Executive Officer

DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

Place : Indore

Date : 20 May 2022

**Apoorva Kumat**

Executive Director (Operations)

DIN - 02630764

**Om Prakash Pandey**

Company Secretary

# Notes to the Consolidated Financial Statements

## NOTE 1: CORPORATE INFORMATION

Prataap Snacks Limited ('PSL' or 'the Holding Company') is a public Company domiciled in India having CIN L15311MP2009PLC021746 and is incorporated under the provisions of the Companies Act, applicable in India and its equity shares are listed on the National Stock Exchange and BSE stock exchange. The principal place of business of the Holding Company is located at Khasra No. 378/2, Nemawar Road, Near Makrand House, Indore, Madhya Pradesh, 452020, India. The PSL, its subsidiaries and controlled trust (PSL, its subsidiaries and controlled trust together referred to as "the Group") is primarily engaged in the business of snacks food.

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

## NOTE 2.1: BASIS OF PREPARATION

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

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Valuation of share appreciation rights issued under Employee Stock Appreciation Rights ('ESAR') Plan 2018 (refer accounting policy regarding share-based payments)
- Net defined benefit liability (refer accounting policy regarding employee benefit).

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

## NOTE 2.2: BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the

investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Details of Group's components at the end of the year considered in preparation of the consolidated financial statements is as under:

Name of the component	Country of incorporation	% voting power held as at	% voting power held as at
		31 March 2022	31 March 2021
<b>Subsidiary (Direct)</b>			
Avadh Snacks Private Limited*	India	90.48	90.48
<b>Subsidiary (Indirect)</b>			
Red Rotopack Private Limited	India	100.00	100.00
<b>Controlled trust</b>			
Prataap Snacks Employees Welfare Trust	India	100.00	100.00

\* The economic interest of the Holding Company in Avadh Snacks Private Limited is 100% as at 31 March 2022 (as at 31 March 2021: 100%) through written put option on the remaining stake (Refer Note 46)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

# Notes to the Consolidated Financial Statements

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

## Consolidation procedures:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, if any.

## NOTE 2.3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A) CURRENT VS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

### B) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the consolidated financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

# Notes to the Consolidated Financial Statements

Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

## Estimates and judgements

### Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognised in the Consolidated financials statements is included below:

#### 1. Deferred taxes

The measurement of MAT credit receivable and deferred tax balances requires judgement around the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Group.

### Assumptions and estimation uncertainties

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

#### (i) Useful lives of property, plant and equipments and intangible assets

The Group reviews the useful life of property, plant and equipments and intangible assets except goodwill at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. Refer Note 2.3 (E) and (F) for management estimate of useful lives.

In accordance with the requirements of Ind AS 38 "Intangible assets", the Group has reassessed the useful life of distribution network and has revised the estimated useful life to 18 years from the existing useful life of 20 years on the basis of management's assessment of future economic benefits. The effect of the said change is recognised prospectively w.e.f. 1 January 2022 as per the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Consequent to this change, depreciation and amortisation expenses is higher and net profit before tax is lower by ₹ 27.00 lakhs for the

year ended 31 March 2022. Further, the basic and diluted earnings per share (not annualised) is lower by ₹ 0.12 for the year ended 31 March 2022.

#### (ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. The measurement of MAT credit receivable and deferred tax balances requires estimation of the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Group.

#### (iii) Discounts and rebates on sales

The Group provides discount and rebates on sales to certain customers. Revenue from these sales is recognised based on the price charged to the customer, net of the estimated pricing allowances, discounts, rebates and other incentives. In certain cases, the amount of these discount and rebates are not determined until claims with appropriate evidence is presented by the customer to the Group, which may be some time after the date of sale. Accordingly, the Group estimates the amount of such incentives basis the terms of contract, incentive schemes, historical experience adjusted with the forward looking, business forecast and the current economic conditions. To estimate the amount of incentives, the Group uses the most likely method.

#### (iv) Impairment of Goodwill

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments

# Notes to the Consolidated Financial Statements

that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are relevant to goodwill recognised by the Group.

## C) REVENUE FROM OPERATIONS

### (i) Revenue from contract with customer

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

#### Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the good is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 20 days upon delivery.

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

#### Variable consideration

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

The Group provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives

to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The Group does not generally provide a right of return on the goods supplied to customers.

#### Contract balances

##### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract liabilities

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

## D) GOVERNMENT GRANTS

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

## E) PROPERTY, PLANT AND EQUIPMENTS

Property, plant and equipment's is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use. Such cost includes the cost of replacing part of the Property, plant and equipment's and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment's are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, plant and equipment's as a component if the recognition criteria are satisfied.

# Notes to the Consolidated Financial Statements

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Items of stores and spares that meet the definition of property, plant and equipments are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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

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

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

Property, plant and equipment	Useful lives
Factory buildings	30 years
Plant and equipments*	15 years (on double shift basis)
Electrical installations*	15 years
Furniture and fixtures	10 years
Computers*	3 years to 6 years
Office equipments*	3 years to 5 years
Vehicles	8 years
Leasehold improvements	Amortised over the period of lease term ranging from 9 to 10 years

\* These assets have life different from those mentioned in Schedule II of the Companies Act, 2013 (the 'Act').

## F) INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

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

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

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

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

Intangible assets	Useful lives
Computer software	5 years
Trade Name	20 years
Distribution Network	18 years



# Notes to the Consolidated Financial Statements

## G) 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. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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 entity operates, or for the market in which the asset is used. Impairment losses of continuing operations are recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill is not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

## H) INVENTORIES

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actual.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

## I) LEASES

The Group leases mainly comprises of land, buildings and facilities. The Group assesses whether a contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

# Notes to the Consolidated Financial Statements

## The Group as lessee

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

### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Right-of-use assets	Useful lives
Manufacturing facilities	5 to 7 years
Leasehold land	3 to 9 years
Land and building	2 to 10 years

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

### ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments of short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## J) SEGMENT REPORTING

The Group is engaged in the business of snacks good. The Chief Operating Decision Maker review the operating results of the Group as a whole for purposes of making decisions about resources to be allocated and assess its performance. The entire operations are classified as a single segment, namely 'Snacks food'.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

## K) PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The expense relating to a provision is presented in the statement of profit and loss.

# Notes to the Consolidated Financial Statements

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

## L) EMPLOYEE BENEFITS

### I. Short term employee benefits

Short-term employee benefit obligations such as salaries, incentives, special awards, medical benefits are measured on an undiscounted basis and are expensed as the related service is provided.

### II. Post-employment obligations

The Group operates the following post-employment schemes:

#### a. Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

#### b. Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The liability for the defined benefit gratuity plan is determined based on actuarial valuations carried out by an independent actuary as at year end. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the government bonds yield rates for the life of the obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

### III. Other long term employee benefit

The Group has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method. Actuarial gain and loss are recognised in the statement of profit and loss during the year in which they occur.

The Group presents the leave as the current liability in the consolidated balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in consolidated balance sheet.

# Notes to the Consolidated Financial Statements

## IV. Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Appreciation Rights Plan whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee stock appreciation rights ('ESAR') reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

## M) TAXATION

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognised in the statement of profit and loss, except when it relates to items recognised in the other comprehensive income or items recognised

directly in the equity. In such cases, the income tax expense is also recognised in the other comprehensive income or directly in the equity as applicable.

### Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or under dispute with authorities and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liabilities on a net basis or simultaneously.

### Deferred taxes

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except for:

- Temporary difference arising on the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss
- Taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

# Notes to the Consolidated Financial Statements

For operations carried out under tax holiday period (Section 80IB and 80IE benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Minimum alternate tax (MAT)

MAT expense in a year is charged to the statement of profit and loss as current tax for the year. The MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and is disclosed as deferred tax asset. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## N) FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rate at the date

the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognised as income or expense in the year in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## O) FAIR VALUE MEASUREMENT

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

# Notes to the Consolidated Financial Statements

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Other fair value related disclosures are given in the relevant notes.

## P) FINANCIAL INSTRUMENTS

### I) Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instruments.

A financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### II) Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair value through other comprehensive income ('FVOCI') or Fair value through profit and loss ('FVTPL').

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

# Notes to the Consolidated Financial Statements

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

## III) De-recognition

### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or

the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## IV) Offsetting of financial instruments

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

## V) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are measured at FVTOCI
- c) Lease receivables under Ind AS 116
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

# Notes to the Consolidated Financial Statements

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as (income) / expense in the statement of profit and loss (P&L). Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## Q) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## R) BORROWING COST

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

## S) EARNINGS PER SHARE

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

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



# Notes to the Consolidated Financial Statements

## T) CONTINGENT LIABILITY AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

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

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

## U) BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group determines if there exist clear evidence of bargain purchase. If such evidence exist then the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

# Notes to the Consolidated Financial Statements

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

## V) INTEREST INCOME

For all debt instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

# Notes to the Consolidated Financial Statements

## NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Note a: Owned assets

	Leasehold improvements	Freehold lands	Factory buildings	Plant and equipments	Furniture and fixtures	Office equipments	Computers	Vehicles	Capital work-in-progress	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>I Gross carrying amount</b>										
<b>As at 1 April 2020</b>	1,779.22	3,697.04	5,469.34	27,287.91	209.98	312.43	158.08	1,867.91	1,961.75	42,743.66
Additions	162.25	-	654.11	1,840.12	21.84	50.38	18.70	736.83	3,608.17	7,092.39
Disposals	-	-	-	248.04	-	-	-	82.94	-	330.98
Transfer/capitalised	-	-	-	-	-	-	-	-	3,484.23	3,484.23
<b>As at 31 March 2021</b>	1,941.47	3,697.04	6,123.45	28,879.99	231.82	362.81	176.78	2,521.80	2,085.69	46,020.85
Additions	109.97	-	1,181.16	1,725.72	10.85	20.91	35.52	335.51	2,863.72	6,283.37
Disposals*	-	-	-	900.27	3.05	30.83	1.65	51.32	143.46	1,130.58
Transfer/capitalised	-	-	-	-	-	-	-	-	3,419.64	3,419.64
<b>As at 31 March 2022</b>	2,051.44	3,697.04	7,304.61	29,705.44	239.62	352.89	210.65	2,805.99	1,386.31	47,753.99
<b>II Accumulated depreciation and impairment losses</b>										
<b>As at 1 April 2020</b>	802.02	-	578.69	9,354.02	104.00	108.14	103.02	526.22	-	11,576.11
Depreciation charge for the year	284.18	-	204.01	2,052.39	26.15	47.81	32.36	293.13	-	2,940.03
Disposals	-	-	-	131.23	-	-	-	63.28	-	194.51
<b>As at 31 March 2021</b>	1,086.20	-	782.70	11,275.19	130.15	155.95	135.38	756.07	-	14,321.63
Depreciation charge for the year	269.72	-	215.99	1,738.26	26.48	48.65	24.78	363.42	-	2,687.30
Disposals*	-	-	-	244.34	0.92	21.12	0.10	28.06	-	294.54
<b>As at 31 March 2022</b>	1,355.92	-	998.69	12,769.11	155.71	183.48	160.06	1,091.43	-	16,714.39
<b>III Net carrying amount</b>										
<b>As at 31 March 2022</b>	695.52	3,697.04	6,305.92	16,936.33	83.91	169.41	50.59	1,714.56	1,386.31	31,039.60
<b>As at 31 March 2021</b>	855.27	3,697.04	5,340.75	17,604.80	101.67	206.86	41.40	1,765.73	2,085.69	31,699.22

\* Refer note 44 on exceptional item

# Notes to the Consolidated Financial Statements

## Note b: Right-of-use assets

	Leasehold lands ₹ lakhs	Land and Buildings ₹ lakhs	Manufacturing facilities ₹ lakhs	Total ₹ lakhs
<b>I Gross carrying amount</b>				
<b>As at 1 April 2020</b>	<b>355.50</b>	<b>3,144.71</b>	<b>4,666.40</b>	<b>8,166.61</b>
Additions	-	102.87	1,344.29	1,447.16
Disposals	-	-	3,271.62	3,271.62
<b>As at 31 March 2021</b>	<b>355.50</b>	<b>3,247.58</b>	<b>2,739.07</b>	<b>6,342.15</b>
Additions	777.91	1,438.41	264.75	2,481.07
Disposals	511.62	452.05	168.50	1,132.17
<b>As at 31 March 2022</b>	<b>621.79</b>	<b>4,233.94</b>	<b>2,835.32</b>	<b>7,691.05</b>
<b>II Accumulated depreciation and impairment losses</b>				
<b>As at 1 April 2020</b>	<b>58.49</b>	<b>631.75</b>	<b>754.25</b>	<b>1,444.49</b>
Depreciation charge for the year	58.49	631.75	790.74	1,480.98
Disposals	-	-	904.02	904.02
<b>As at 31 March 2021</b>	<b>116.98</b>	<b>1,263.50</b>	<b>640.97</b>	<b>2,021.45</b>
Depreciation charge for the year	128.49	665.39	830.65	1,624.53
Disposals	69.37	292.52	69.38	431.27
<b>As at 31 March 2022</b>	<b>176.10</b>	<b>1,636.37</b>	<b>1,402.24</b>	<b>3,214.71</b>
<b>III Net carrying amount</b>				
<b>As at 31 March 2022</b>	<b>445.69</b>	<b>2,597.57</b>	<b>1,433.08</b>	<b>4,476.34</b>
<b>As at 31 March 2021</b>	<b>238.52</b>	<b>1,984.08</b>	<b>2,098.10</b>	<b>4,320.70</b>

## Note c: Net carrying amount

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
(i) Property, plant and equipments		
a. Owned assets	29,653.28	29,613.52
b. Right-of-use assets	4,476.34	4,320.70
	<b>34,129.62</b>	<b>33,934.22</b>
(ii) Capital work-in-progress	1,379.86	2,077.04

## Note d: Capital work in progress Ageing Schedule

	Amount in Capital work-in-progress for a period of				Total ₹ lakhs
	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	
<b>As at 31 March 2022</b>					
Projects in progress	892.47	399.31	94.53	-	1,386.31
Projects temporarily suspended	-	-	-	-	-
	<b>892.47</b>	<b>399.31</b>	<b>94.53</b>	<b>-</b>	<b>1,386.31</b>
<b>As at 31 March 2021</b>					
Projects in progress	1,555.32	479.20	51.17	-	2,085.69
Projects temporarily suspended	-	-	-	-	-
	<b>1,555.32</b>	<b>479.20</b>	<b>51.17</b>	<b>-</b>	<b>2,085.69</b>

# Notes to the Consolidated Financial Statements

Note e: Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

	To be completed in				Total ₹ lakhs
	Less than 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	
<b>As at 31 March 2022</b>					
Expansion of namkeen plant	226.65	-	-	-	226.65
	<b>226.65</b>	-	-	-	<b>226.65</b>
<b>As at 31 March 2021</b>					
Effluent treatment plant	-	1,035.83	-	-	1,035.83
Expansion of namkeen plant	-	226.65	-	-	226.65
	-	<b>1,262.48</b>	-	-	<b>1,262.48</b>

## NOTE 4: INTANGIBLE ASSETS

	Other Intangible assets				Goodwill ₹ lakhs
	Computer softwares ₹ lakhs	Trade Name ₹ lakhs	Distributor Network ₹ lakhs	Total ₹ lakhs	
<b>I Gross carrying amount</b>					
<b>As at 1 April 2020</b>	<b>300.29</b>	<b>5,950.00</b>	<b>13,590.00</b>	<b>19,840.29</b>	<b>4,611.00</b>
Additions	45.39	-	-	45.39	-
Disposals	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>345.68</b>	<b>5,950.00</b>	<b>13,590.00</b>	<b>19,885.68</b>	<b>4,611.00</b>
Additions	66.83	-	-	66.83	-
Disposals	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>412.51</b>	<b>5,950.00</b>	<b>13,590.00</b>	<b>19,952.51</b>	<b>4,611.00</b>
<b>II Accumulated amortisation and impairment losses</b>					
<b>As at 1 April 2020</b>	<b>127.99</b>	<b>446.25</b>	<b>1,019.25</b>	<b>1,593.49</b>	-
Amortisation charge for the year	58.53	297.50	679.50	1,035.53	-
Disposals	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>186.52</b>	<b>743.75</b>	<b>1,698.75</b>	<b>2,629.02</b>	-
Amortisation charge for the year	61.35	297.50	706.50	1,065.35	-
Disposals	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>247.87</b>	<b>1,041.25</b>	<b>2,405.25</b>	<b>3,694.37</b>	-
<b>III Net carrying amount</b>					
<b>As at 31 March 2022</b>	<b>164.64</b>	<b>4,908.75</b>	<b>11,184.75</b>	<b>16,258.14</b>	<b>4,611.00</b>
<b>As at 31 March 2021</b>	<b>159.16</b>	<b>5,206.25</b>	<b>11,891.25</b>	<b>17,256.66</b>	<b>4,611.00</b>

# Notes to the Consolidated Financial Statements

## IV Net Carrying Amount

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
(i) Goodwill	4,611.00	4,611.00
(ii) Other Intangible assets		
(a) Intangible assets	16,258.14	17,256.66

### Notes

In accordance with IND AS 36 "Impairment of Assets" the Group has assigned the carrying value of goodwill to the business of the consolidated subsidiary, Avadh Snacks Private Limited (Cash Generating Unit ('CGU')). Impairment testing of such Goodwill is performed by applying the value in use approach i.e. using cash flow projections based on financial budgets covering a period of 5 years.

Based on the results of the Goodwill impairment test, the estimated value in use in all CGUs were higher than their respective carrying amount, and accordingly no impairment loss has been recognised during the year (31 March 2021 - Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the Goodwill.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Discount rate	11.00%	10.08%
Revenue growth rate for initial 5 years	20.00% to 23.00%	20.00% to 25.00%
Budgeted EBITDA rate	2.40% to 6.10%	4.00% to 5.00%
Terminal value growth rate	5.00%	6.00%

**Discount rate** - Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company).

**Revenue growth rate and EBITDA rate** - The growth rates and EBITDA rate used to estimate cash flows for the first five years are based on past performance, and based on the five-year strategic plan.

**Terminal growth rate** - long-term average growth rate for the products, industries, or country in which the entity operates.

### NOTE 5: FINANCIAL ASSETS - NON-CURRENT LOANS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Considered good - Secured</b>		
Loan to Employees under Employee Stock Purchase Plan	1,785.16	1,829.74
	<b>1,785.16</b>	<b>1,829.74</b>

# Notes to the Consolidated Financial Statements

## NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Margin money deposits*	0.61	0.16
Non-current bank balances being deposits with remaining maturity of more than twelve months**	2,947.16	2,406.68
Subsidy receivable	2,087.59	1,533.33
Security deposits	619.22	611.52
	<b>5,654.58</b>	<b>4,551.69</b>

\*Margin money deposits pertains to deposits given to various Government / statutory authorities as security.

\*\* Includes deposits amounting to Nil (31 March 2021: ₹ 2,259.00 Lakhs) given to the bank as security against borrowings.

## NOTE 7: OTHER TAX ASSETS (NET)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Advance income-tax [Net of provision for taxation: ₹ 6,113.78 Lakhs (As at 31 March 2021: Nil)]	154.24	-
	<b>154.24</b>	<b>-</b>

## NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Capital advances:		
Considered good	583.43	339.67
Considered doubtful	372.51	379.84
Less: Provision for doubtful advances	(372.51)	(379.84)
Prepaid expenses	10.92	-
Balances with government authorities	55.07	-
	<b>649.42</b>	<b>339.67</b>

## NOTE 9: INVENTORIES

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

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Raw materials	6,455.91	6,867.50
Packing materials	4,755.76	3,838.98
Finished goods [including stock-in-transit: ₹ 487.4 lakhs (As at 31 March 2021: ₹ 392.17 lakhs)]	2,621.99	1,765.47
Traded goods [including stock-in-transit: ₹ 3.48 lakhs (As at 31 March 2021: ₹ 3.34 lakhs)]	11.57	7.42
Stores, spares and other consumables	617.10	588.44
	<b>14,462.33</b>	<b>13,067.81</b>

# Notes to the Consolidated Financial Statements

## Note:

During the year an amount of ₹ 5.81 lakhs (net) [31 March 2021: ₹ 26.92 lakhs (net)] was charged to statement of profit and loss on account of write down of inventories.

## NOTE 11: TRADE RECEIVABLES

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Considered good - Unsecured	2,030.33	2,689.95
Credit impaired	522.72	446.35
Less: Allowance for credit losses (Refer Note 47)	(895.82)	(474.63)
	<b>1,657.23</b>	<b>2,661.67</b>

## Notes:

1. For terms and conditions relating to related party receivables, Refer Note 39.
2. For aging of trade receivable, Refer Note 47.
3. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

## NOTE 11: CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Balances with banks:		
In current accounts	1,892.63	1,171.61
Deposits with original maturity of less than three months	-	1.53
Cash on hand	6.25	5.33
	<b>1,898.88</b>	<b>1,178.47</b>

## NOTE 12: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deposits with maturity less than twelve months*	736.98	1,066.09
Margin money deposit**	580.43	795.32
Earmarked Balances with bank - unpaid dividend	0.29	0.29
	<b>1,317.70</b>	<b>1,861.70</b>

\* Includes deposits amounting to Nil (31 March 2021: ₹ 615.00 Lakhs) given to the bank as security against borrowings.

\*\*Margin money deposits pertains to deposits given to various Government / statutory authorities as security.



# Notes to the Consolidated Financial Statements

## NOTE 13: FINANCIAL ASSETS - CURRENT LOANS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Loan to transporters:		
Unsecured considered good	-	-
Credit Impaired	4.79	4.79
Less: Allowances for credit losses	(4.79)	(4.79)
Loan to employees - Unsecured considered good	116.83	112.40
	<b>116.83</b>	<b>112.40</b>

## NOTE 14: OTHER CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Subsidy receivable	839.85	1,064.73
Security deposits	11.94	8.95
Fixed Deposit with banks*	4,323.49	2,348.68
	<b>5,175.28</b>	<b>3,422.36</b>

\* Includes deposits amounting to Nil (31 March 2021: ₹ 236.00 Lakhs) given to the bank as security against borrowings.

## NOTE 15: OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Advances to vendors:		
Considered good	1,093.86	1,167.20
Considered doubtful	389.66	467.20
Less: Provision for doubtful advances	(389.66)	(467.20)
Prepaid expenses	91.24	127.43
Balances with government authorities	282.95	311.98
	<b>1,468.05</b>	<b>1,606.61</b>

## NOTE 16: SHARE CAPITAL

(a) Authorised share capital

	Equity shares	
	No. in lakhs	₹ lakhs
<b>Equity shares of ₹ 5 each</b>		
<b>As at 1 April 2020</b>	<b>320.00</b>	<b>1,600.00</b>
Change in authorised share capital during the year	-	-
<b>As at 31 March 2021</b>	<b>320.00</b>	<b>1,600.00</b>
Change in authorised share capital during the year	-	-
<b>As at 31 March 2022</b>	<b>320.00</b>	<b>1,600.00</b>

# Notes to the Consolidated Financial Statements

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

	No. in lakhs	₹ lakhs
<b>As at 1 April 2020 (Equity shares of ₹ 5 each)</b>	<b>234.53</b>	<b>1,172.65</b>
Changes in equity share capital during the year	-	-
<b>As at 31 March 2021 (Equity shares of ₹ 5 each)</b>	<b>234.53</b>	<b>1,172.65</b>
Changes in equity share capital during the year	-	-
<b>As at 31 March 2022 (Equity shares of ₹ 5 each)</b>	<b>234.53</b>	<b>1,172.65</b>

## (c) Terms and rights attached to equity shares

The Group has only one class of equity shares having par value of ₹ 5 (31 March 2021: ₹ 5) per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which may be subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at 31 March 2022		As at 31 March 2021	
	No. in lakhs	% holding	No. in lakhs	% holding
<b>Equity shares</b>				
SCI Growth Investment II	83.93	35.79%	83.93	35.79%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	23.54	10.04%
Malabar India Fund Limited	15.04	6.41%	14.91	6.36%
SBI Mutual Fund	12.73	5.43%	11.10	4.73%

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) Details of shares held by promoters in the Holding Company

	As at 31 March 2022			As at 31 March 2021		
	No. in lakhs	% holding	% change during the year	No. in lakhs	% holding	% change during the year
<b>Equity shares</b>						
Arvind Mehta	5.60	2.39%	0.09%	5.60	2.39%	0.00%
Amit Kumat	5.83	2.49%	0.24%	5.82	2.48%	0.71%
Apoorva Kumat	5.55	2.37%	0.18%	5.54	2.36%	1.07%
Arun Mehta	5.72	2.44%	0.00%	5.72	2.44%	0.00%
Kanta Mehta	2.33	0.99%	0.00%	2.33	0.99%	0.00%
Naveen Mehta	9.04	3.86%	0.00%	9.04	3.86%	0.00%
Premlata Kumat	5.59	2.38%	0.00%	5.59	2.38%	0.00%
Rajesh Mehta	6.81	2.91%	0.00%	6.81	2.91%	0.00%
Rakhi Kumat	1.10	0.47%	0.00%	1.10	0.47%	0.00%
Rita Mehta	3.26	1.39%	0.00%	3.26	1.39%	0.00%
Sandhya Kumat	1.30	0.55%	0.00%	1.30	0.55%	0.00%
Swati Bapna	2.04	0.87%	0.00%	2.04	0.87%	0.00%
SCI Growth Investment II	83.93	35.79%	0.00%	83.93	35.79%	0.00%
Sequoia Capital GFIV Mauritius Investments*	23.54	10.04%	0.00%	23.54	10.04%	0.00%
Sequoia Capital India Growth Investment Holdings I*	6.01	2.56%	0.00%	6.01	2.56%	0.00%

\*Promoter group

# Notes to the Consolidated Financial Statements

**(f) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:**

	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs	No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	-	-	-	-	155.91

**31 March 2018** - Allotment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 3 June 2017.

**(g) Shares issued under Prataap Employees Stock Appreciation Rights ('ESAR') Plan 2018**

Refer Note 43 for details of shares issued under the ESAR Plan 2018.

**(h) Dividend paid and proposed**

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Dividend on equity shares paid during the year</b>		
Dividend for the year ended 31 March 2021: ₹ 0.50 per share (31 March 2020: ₹ 1 per share)	117.27	234.53

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Proposed dividend on equity shares*</b>		
Dividend for the year ended 31 March 2022: ₹ 0.50 per share (31 March 2021: ₹ 0.50 per share)	117.27	117.27

\*Proposed dividend on equity shares are subject to approval of the shareholders at the ensuing Annual General Meeting and are not recognised as liability as at 31 March 2022.

## NOTE 17: OTHER EQUITY

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Securities premium	38,282.76	38,282.76
Retained earnings	22,467.96	22,271.22
Employee stock appreciation rights reserve	502.10	584.96
	<b>61,252.82</b>	<b>61,138.94</b>

### Securities premium

	₹ lakhs
As at 1 April 2020	38,282.76
As at 31 March 2021	38,282.76
As at 31 March 2022	38,282.76

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

# Notes to the Consolidated Financial Statements

## Retained earnings

	₹ lakhs
<b>As at 1 April 2020</b>	<b>21,072.69</b>
Add: Profit for the year	1,415.59
Add: Other comprehensive income	17.46
Less: Amount utilised towards payment of dividend	(234.53)
<b>As at 31 March 2021</b>	<b>22,271.22</b>
Add: Profit for the year	290.90
Add: Other comprehensive income	23.11
Less: Amount utilised towards payment of dividend	(117.27)
<b>As at 31 March 2022</b>	<b>22,467.96</b>

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

## Employee stock appreciation rights reserve

	₹ lakhs
<b>As at 1 April 2020</b>	<b>271.59</b>
Add: Expense recognised during the year (Refer Note 45)	313.37
<b>As at 31 March 2021</b>	<b>584.96</b>
Add: Expense recognised during the year (Refer Note 45)	(82.86)
<b>As at 31 March 2022</b>	<b>502.10</b>

The Holding Company has Prataap Employee Stock Appreciation Rights ('ESAR') Plan 2018 under which options to subscribe for the Holding Company's shares have been granted to certain employees. The Employee stock appreciation rights reserve is used to recognise the value of equity-settled share-based payments provided to employees. The said reserve shall be utilised for issue of equity shares of the Holding Company against the rights exercisable by the employees under the ESAR Plan 2018.

## NOTE 18: BORROWINGS

### (At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Short term borrowings</b>		
<b>Loan repayable on demand</b>		
- From Banks		
<b>Unsecured</b>		
Working capital loan (Refer Note 1 below)	3,008.22	-
<b>Secured</b>		
Working capital loan (Refer Note 2 below)	-	1,014.18
	<b>3,008.22</b>	<b>1,014.18</b>

### Note:

- The Unsecured short term loan from a bank carries a rate of interest of 4.27%-4.55% and interest is to be serviced as and when charged. The said loan is repayable on demand.
- The Secured short term loan from a bank carries a rate of interest of 6.03% and interest is to be serviced as and when charged. The loan is secured by lien on fixed deposit. The said loan is repayable on demand.

# Notes to the Consolidated Financial Statements

## NOTE 19: OTHER NON-CURRENT FINANCIAL LIABILITIES

(At fair value through profit and loss)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deferred contingent consideration (Refer Note 46)	-	3,557.99
	-	<b>3,557.99</b>

## NOTE 20: PROVISIONS

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Non-current provisions</b>		
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 36)	452.05	450.64
Compensated absences	7.51	-
	<b>459.56</b>	<b>450.64</b>
<b>Current provisions</b>		
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note 37)	54.87	40.83
Compensated absences	17.12	29.41
	<b>71.99</b>	<b>70.24</b>

## NOTE 21: DEFERRED TAX ASSETS / LIABILITIES

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>(a) Tax expense recognised in the statement of profit and loss</b>		
Current tax	205.28	408.70
Deferred tax (including Minimum Alternate Tax)	(735.12)	(717.19)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(529.84)</b>	<b>(308.49)</b>
<b>(b) Income tax related to items recognised in OCI during the year:</b>		
Net gain/(loss) on remeasurements of defined benefit plan	10.97	6.27
<b>Income tax expense recognised in OCI</b>	<b>10.97</b>	<b>6.27</b>
<b>(c) Reconciliation of income tax expense and the accounting profit:</b>		
Profit/(loss) before tax	(238.94)	1,107.10
Income tax expense calculated at 34.944% (31 March 2021: 34.944%) being the statutory enacted rate	(83.50)	386.87
<b>Effect of:</b>		
Income not taxable during the tax holiday period	(335.61)	(516.57)
Reversal of deferred tax on estimated temporary difference during the tax holiday period	101.45	110.44
Expenses that is non-deductible in determining taxable profit	13.25	66.68
Income not taxable in determining taxable profit	(194.96)	-
Impact of lower tax rate applicable on subsidiary on account of New Tax Regime	84.07	87.67
Deferred tax balances measured at lower rate on account of estimate of timing of transition to New Tax Regime	(128.21)	(451.60)
Tax on other items	13.68	8.02
<b>Income tax expense recognised in statement of profit and loss</b>	<b>(529.83)</b>	<b>(308.49)</b>

# Notes to the Consolidated Financial Statements

## (d) The movement in deferred tax assets and liabilities during the year ended 31 March 2022 and 31 March 2021:

	As at 1 April 2021	Recognised in profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2022
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Deferred tax assets in relation to:</b>				
(i) Allowances for credit losses and doubtful receivables	(426.23)	(115.12)	-	(541.35)
(ii) Provision for employee benefits	(220.81)	(14.25)	10.97	(224.09)
(iii) Carry forward of unabsorbed depreciation	(9.05)	(1.47)	-	(10.52)
(iv) Carry forward of business loss	(5.87)	(0.94)	-	(6.81)
(v) Lease liabilities	-	(1,739.92)	-	(1,739.92)
(vi) Other items giving rise to temporary differences	(104.65)	(276.43)	-	(381.08)
	<b>(766.61)</b>	<b>(2,148.13)</b>	<b>10.97</b>	<b>(2,903.77)</b>
<b>Deferred tax liabilities in relation to:</b>				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets	5,797.36	(98.04)	-	5,699.32
(ii) Right of use assets	(141.69)	1,675.12	-	1,533.43
	<b>5,655.67</b>	<b>1,577.08</b>	<b>-</b>	<b>7,232.75</b>
<b>Deferred Tax liability / (asset)</b>	<b>4,889.06</b>	<b>(571.05)</b>	<b>10.97</b>	<b>4,328.98</b>
(i) MAT Credit entitlement	(1,603.47)	(164.07)	-	(1,767.54)
<b>Net Deferred Tax liability / (asset)</b>	<b>3,285.59</b>	<b>(735.12)</b>	<b>10.97</b>	<b>2,561.44</b>

	As at 1 April 2020	Recognised in profit and Loss	Recognised in Other Comprehensive Income	As at 31 March 2021
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Deferred tax assets in relation to:</b>				
(i) Allowances for credit losses and doubtful receivables	(359.69)	(66.54)	-	(426.23)
(ii) Provision for employee benefits	(201.93)	(25.14)	6.27	(220.81)
(iii) Carry forward of unabsorbed depreciation	(7.32)	(1.73)	-	(9.05)
(iv) Carry forward of business loss	(3.49)	(2.38)	-	(5.87)
(v) Lease liabilities	(2,457.62)	2,457.62	-	-
(vi) Other items giving rise to temporary differences	(125.14)	20.49	-	(104.65)
	<b>(3,155.19)</b>	<b>2,382.32</b>	<b>6.27</b>	<b>(766.61)</b>
<b>Deferred tax liabilities in relation to:</b>				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets	6,243.93	(446.55)	-	5,797.36
(ii) Right of use assets	2,345.29	(2,486.98)	-	(141.69)
	<b>8,589.22</b>	<b>(2,933.53)</b>	<b>-</b>	<b>5,655.67</b>
<b>Deferred Tax liability / (asset)</b>	<b>5,434.03</b>	<b>(551.21)</b>	<b>6.27</b>	<b>4,889.06</b>
(i) MAT Credit entitlement	(1,437.49)	(165.98)	-	(1,603.47)
<b>Net Deferred Tax liability / (asset)</b>	<b>3,996.54</b>	<b>(717.19)</b>	<b>6.27</b>	<b>3,285.59</b>

The rate used for calculation of Deferred tax is 34.944% and 25.17% for deferred tax expected to be reversed in the New Tax Regime, being statutory enacted rates at Balance Sheet date.

# Notes to the Consolidated Financial Statements

## Disclosure in the balance sheet:

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deferred tax assets	(4,671.31)	(2,370.08)
Deferred tax liabilities	7,232.75	5,655.67
<b>Deferred tax liabilities / (assets) (net)</b>	<b>2,561.44</b>	<b>3,285.59</b>

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Out of above</b>		
Deferred tax assets	-	(21.51)
Deferred tax liabilities	2,561.44	3,307.12
<b>Deferred tax liabilities / (assets) (net)</b>	<b>2,561.44</b>	<b>3,285.59</b>

## NOTE 22: OTHER NON-CURRENT LIABILITIES

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deferred Government grant	2,469.09	2,027.88
	<b>2,469.09</b>	<b>2,027.88</b>
<b>At 1 April</b>	<b>2,304.05</b>	<b>2,580.22</b>
Addition during the year	-	-
Recognised in the statement of profit and loss (Refer Note 27)	500.67	(276.17)
<b>At 31 March</b>	<b>2,804.72</b>	<b>2,304.05</b>
<b>The above amount is classified as:</b>		
Non-current	2,469.09	2,027.88
Current	335.63	276.17
	<b>2,804.72</b>	<b>2,304.05</b>

## NOTE 23: TRADE PAYABLES

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Total outstanding dues of micro enterprises and small enterprises	839.69	376.88
Total outstanding dues of trade payables other than micro enterprises and small enterprises	8,174.56	8,477.89
	<b>9,014.25</b>	<b>8,854.77</b>

### Note:

- Trade payables are non interest bearing and are normally settled in 0 to 45 days terms.
- Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment						Total ₹ lakhs
	Unbilled	Not Due	Less than 1	1-2	2-3	More than	
	₹ lakhs	₹ lakhs	year ₹ lakhs	years ₹ lakhs	years ₹ lakhs	3 years ₹ lakhs	
<b>As at 31 March 2022</b>							
Total outstanding dues of micro enterprises and small enterprises	-	620.61	219.08	-	-	-	839.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	763.71	4,249.34	3,046.02	20.19	87.82	0.82	8,167.90
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	6.66	6.66
	<b>763.71</b>	<b>4,869.95</b>	<b>3,265.10</b>	<b>20.19</b>	<b>87.82</b>	<b>7.48</b>	<b>9,014.25</b>

# Notes to the Consolidated Financial Statements

	Outstanding for following periods from due date of payment						Total ₹ lakhs
	Unbilled	Not Due	Less than 1	1-2	2-3	More than	
	₹ lakhs	₹ lakhs	year ₹ lakhs	years ₹ lakhs	years ₹ lakhs	3 years ₹ lakhs	
<b>As at 31 March 2021</b>							
Total outstanding dues of micro enterprises and small enterprises	-	298.88	78.00	-	-	-	376.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,272.66	3,499.66	3,610.37	55.46	9.03	24.05	8,471.23
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	6.66	-	6.66
	<b>1,272.66</b>	<b>3,798.54</b>	<b>3,688.37</b>	<b>55.46</b>	<b>15.69</b>	<b>24.05</b>	<b>8,854.77</b>

## NOTE 24: OTHER CURRENT FINANCIAL LIABILITIES

(At amortised cost)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Creditors for capital goods	235.72	215.15
Security deposits	100.00	-
Dividend payable	0.33	0.29
Employee payables	544.18	407.40
Deferred consideration (Refer Note 46)	3,003.64	-
	<b>3,883.87</b>	<b>622.84</b>

## NOTE 25: OTHER CURRENT LIABILITIES

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Contract liabilities (Advance from customers)	987.07	638.50
Statutory dues	522.44	549.41
Deferred Government grant (Refer Note 22)	335.63	276.17
	<b>1,845.14</b>	<b>1,464.08</b>

## NOTE 26: CURRENT TAX LIABILITIES (NET)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Income tax provision [Net of advance tax: ₹ 35.20 lakhs (31 March 2021: 5,705.99 lakhs)]	6.01	186.56
	<b>6.01</b>	<b>186.56</b>



# Notes to the Consolidated Financial Statements

## NOTE 27: REVENUE FROM OPERATIONS

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>Sale of products</b>		
(a) Finished goods	1,37,864.03	1,15,964.43
(b) Traded goods	445.74	183.77
	<b>1,38,309.77</b>	<b>1,16,148.20</b>
<b>Other operating revenues</b>		
(c) Sale of starch	69.53	70.62
(d) Scrap sales	318.17	181.99
(e) Government grant (Refer Note 22 and Note 41)	741.34	389.25
(f) Other operating income	223.12	318.82
	<b>1,352.16</b>	<b>960.68</b>
	<b>1,39,661.93</b>	<b>1,17,108.88</b>
<b>Out of above</b>		
Revenue from contracts with customers	1,38,697.47	1,16,400.81
Other revenue	964.46	708.07
	<b>1,39,661.93</b>	<b>1,17,108.88</b>

### Note A: Reconciliation of revenue recognised with contract price

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Contract price	1,41,882.07	1,20,131.40
Adjustments for variable consideration:		
Discount and rebates	(3,184.60)	(3,730.59)
<b>Revenue from contract with customers</b>	<b>1,38,697.47</b>	<b>1,16,400.81</b>

### Note B: Disaggregation of revenue

The Group has a single stream of revenue i.e. sale of products. However, the Group has export operations spread across geographical area, viz. in India and outside India, details of which is as under:

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
India	1,38,511.58	1,16,156.30
Outside India	185.89	244.51
	<b>1,38,697.47</b>	<b>1,16,400.81</b>

### Note C: Contract balances

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
(i) Trade receivables (pertaining to contract with customers)	1,657.23	2,661.67
(ii) Contract liabilities		
Advance from customers	987.07	638.50
<b>At the beginning of the year</b>	<b>638.50</b>	<b>356.71</b>

# Notes to the Consolidated Financial Statements

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Add: Received during the year	987.07	638.50
Less: Recognised as revenue out of amount recognised as contract liabilities as at the beginning of the period	(638.50)	(356.71)
<b>At the end of the year</b>	<b>987.07</b>	<b>638.50</b>
<b>Out of above</b>		
Advance from customers	987.07	638.50
	<b>987.07</b>	<b>638.50</b>

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

## NOTE 28: OTHER INCOME

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Interest income under the effective interest method on:		
Bank deposits	384.96	423.50
Unwinding of financial assets	307.74	195.58
Others	125.85	101.66
Gain on Fair valuation of financial liability	554.35	-
Miscellaneous income (Refer Note below)	-	163.41
	<b>1,372.90</b>	<b>884.15</b>

**Note:** Miscellaneous income in 31 March 2021 includes an amount of ₹ 163.40 lakhs on extinguishment of lease liability (net of the right of use assets) on termination of lease agreement.

## NOTE 29: COST OF MATERIALS CONSUMED

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Inventory at the beginning of the year	10,706.48	11,027.73
Add: Purchases	1,04,726.55	84,242.43
	<b>1,15,433.03</b>	<b>95,270.16</b>
Less: Inventory at the end of the year	(11,211.67)	(10,706.48)
Cost of materials consumed	<b>1,04,221.36</b>	<b>84,563.68</b>

## NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Opening stock		
Finished goods	1,765.47	1,462.71
Traded goods	7.42	4.95
	<b>1,772.89</b>	<b>1,467.66</b>
Less: Closing stock		
Finished goods	2,621.99	1,765.47
Traded goods	11.57	7.42
	<b>2,633.56</b>	<b>1,772.89</b>
(Increase) / Decrease in inventories of Finished goods and Traded goods	<b>(860.67)</b>	<b>(305.23)</b>

# Notes to the Consolidated Financial Statements

## NOTE 31: EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Salaries, wages and bonus	5,173.83	4,370.69
Employee stock appreciation rights expense (Refer Note 43)	(82.86)	313.37
Contribution to provident and other funds (Refer Note 41)	314.23	270.64
Gratuity expense (Refer Note 36)	91.48	99.89
Staff welfare expenses	221.49	276.22
	<b>5,718.17</b>	<b>5,330.81</b>

## NOTE 32: FINANCE COSTS

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Interest expense on financial liabilities measured at amortised cost:		
Borrowings	125.06	18.60
Lease liabilities (Refer Note 38)	500.18	569.23
Others	-	12.34
Other finance costs	46.59	27.01
	<b>671.83</b>	<b>627.18</b>

## NOTE 33: DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Depreciation on property, plant and equipments (Refer Note 3)	2,687.30	2,940.03
Depreciation on right of use asset (Refer Note 3)	1,624.53	1,480.98
Amortisation of intangible assets (Refer Note 4)	1,065.35	1,035.53
	<b>5,377.18</b>	<b>5,456.54</b>

## NOTE 34: OTHER EXPENSE

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Consumption of stores, spares and other consumables	1,338.11	1,406.84
Security charges	309.96	250.93
Housekeeping charges	220.15	176.22
Power and fuel	2,986.76	2,322.13
Contract labour expenses	3,931.49	3,155.54
Freight and forwarding charges	9,194.56	8,073.42
Rent / lease rent (Refer Note 37)	142.74	115.45
Rates and taxes	73.25	28.01
Insurance charges	116.83	116.30
Job work charges	2,196.31	2,305.05

# Notes to the Consolidated Financial Statements

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Repairs and maintenance		
- Plant and machinery	581.24	578.49
- Buildings	153.26	105.90
- Others	304.64	184.40
Advertisement and sales promotion	1,080.68	750.55
Trade receivables written off	-	118.88
Allowance for credit losses and doubtful advances	333.41	187.21
Travelling and conveyance	517.27	295.96
Printing and stationery	36.41	32.57
Legal and professional fees	372.54	307.35
Payment to auditor	75.84	67.90
Loss on sale / discard of property, plant and equipments	0.28	5.73
Corporate social responsibility expenditure	93.00	123.18
Independent directors sitting fees and commission	55.18	63.28
Miscellaneous expenses	305.74	391.00
	<b>24,419.65</b>	<b>21,162.29</b>

## NOTE 35: EARNINGS PER SHARE ('EPS')

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

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

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

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
(a) Profit attributable to equity holders of the parent	290.90	1,415.59
(b) Weighted average number of equity shares outstanding for computing basic EPS	234.53	234.53
(c) Effect of potential equity shares on Employee Stock Appreciation Rights ('ESAR')*	-	-
(d) Weighted average number of equity shares outstanding for computing diluted EPS [(b) + (c)]	<b>234.53</b>	<b>234.53</b>
EPS (in ₹)		
Basic (Face value of ₹ 5 each)	1.24	6.04
Diluted (Face value of ₹ 5 each)	1.24	6.04

\* ESAR are anti-dilutive in nature and accordingly, the same has not been considered for the purpose of calculation of Diluted EPS.

# Notes to the Consolidated Financial Statements

## NOTE 36: EMPLOYEE BENEFITS

### (a) Defined contribution plans

#### a. Provident fund

The Group makes provident fund contributions to defined contribution plan for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs. The Group has no obligation, other than the contribution payable to the fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>Included in contribution to provident and other funds under Employees benefit expenses</b>		
Provident fund	278.92	236.79

### (b) Defined benefit plans

#### Gratuity - Non-funded

The Group has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is unfunded.

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Current	54.87	40.83
Non-current	452.05	450.64
	<b>506.92</b>	<b>491.47</b>

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for gratuity:

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>I (a) Expense recognised in the statement of profit and loss</b>		
Current service cost (Refer Note 31)	91.48	72.40
Interest cost on benefit obligation(Refer Note 32)	29.91	27.49
Components of defined benefit costs recognised in statement of profit and loss	<b>121.39</b>	<b>99.89</b>
<b>(b) Included in other comprehensive income</b>		
Actuarial (gain) / loss for the year on defined benefit obligation		
Actuarial (gain) / loss due to change in financial assumptions	26.16	(17.77)
Actuarial (gain) / loss due to experience adjustments	7.92	41.50
<b>Actuarial (gain) / loss recognised in other comprehensive income</b>	<b>34.08</b>	<b>23.73</b>

# Notes to the Consolidated Financial Statements

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>II Change in present value of defined benefit obligation during the year</b>		
1. Present value of defined benefit obligation at the beginning of the year	491.47	422.78
2. Interest cost	29.91	27.49
3. Current service cost	91.48	72.40
4. Benefits paid	(71.86)	(7.47)
5. Actuarial gain / (loss) on obligation	34.08	23.73
6. Present value of defined benefit obligation at the end of the year	<b>506.92</b>	<b>491.47</b>

### Details of asset-liability matching strategy

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Group to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy devised for the plan.

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

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Discount rate (%)	6.95%	6.80%
Future salary increases:	7.00%	7.00%
Mortality	Indian assured lives mortality (2012-14) table	Indian assured lives mortality (2012-14) table
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

A quantitative sensitivity analysis for significant assumption is as shown below:

	Discount rate	
	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Impact on defined benefit obligation</b>		
Impact of 0.50% increase in rate	(20.08)	(20.22)
Impact of 0.50% decrease in rate	21.64	21.81

	Future salary increases	
	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Impact on defined benefit obligation</b>		
Impact of 0.50% increase in rate	19.10	18.50
Impact of 0.50% decrease in rate	(18.39)	(17.88)

# Notes to the Consolidated Financial Statements

	Withdrawal rate	
	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Impact on defined benefit obligation</b>		
Impact of 10% increase in rate	(1.11)	(2.72)
Impact of 10% decrease in rate	1.05	2.85

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

#### The following payments are expected in future years:

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Within the next 12 months (next annual reporting period)	54.87	40.83
Between 2 and 5 years	164.83	164.85
Beyond 5 years	240.95	236.45

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.64 years (As at 31 March 2021: 8.60 years).

## NOTE 37: LEASES

### i) Group as a lessee

The Group has lease contracts for land, building and manufacturing facilities with lease term ranging between 2 to 10 years. There are certain lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group also has certain leases of office premises and warehouses with lease term of 12 months or less and those of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions as available in Ind AS 116 'Leases' for these leases.

### a) Amounts recognised in profit and loss

#### The following amounts are recognised in the statement of profit or loss

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Depreciation of Right-of-use assets	1,624.53	1,480.98
Interest on lease liabilities	500.18	569.23
Expenses related to short term leases and leases of low - value assets	142.74	115.45
	<b>2,267.45</b>	<b>2,165.66</b>

# Notes to the Consolidated Financial Statements

## b) The carrying amounts of lease liabilities and the movements during the year:

	31 March 2022 ₹ lakhs	31 March 2021 ₹ lakhs
<b>As at 1 April</b>	<b>4,710.41</b>	<b>7,033.01</b>
Addition during the year	2,409.28	1,447.16
Derecognised during the year	(700.90)	(2,536.22)
Accretion of interest	500.18	569.23
Payments	(1,939.24)	(1,802.77)
<b>As at 31 March</b>	<b>4,979.73</b>	<b>4,710.41</b>
<b>The above amount is classified as:</b>		
Non-current	3,572.41	3,407.53
Current	1,407.32	1,302.88
	<b>4,979.73</b>	<b>4,710.41</b>

Refer Note 3(b) for additions to Right-Of-Use Assets and the carrying amount of Right-Of-Use Assets as at the year end. Further, Refer Note 47 for maturity analysis of lease liabilities.

## c) Amount as per the Statement of Cash Flows:

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
Repayment of lease liabilities	1,439.06	1,396.94
Interest paid on lease liabilities	500.18	405.83
Short term leases, leases of low value assets and variable lease payments	142.74	115.45
<b>Total Cash outflow for leases</b>	<b>2,081.98</b>	<b>1,918.22</b>

## NOTE 38: COMMITMENTS AND CONTINGENCIES

### I. Capital commitments

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	642.99	513.03

### II. Other commitments

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Preservation charges payable to cold storage owners	393.22	302.72

### III. Contingent liabilities (to the extent not provided for)

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Claims against the Group not acknowledged as debts</b>		
Disputed income tax liability (excluding interest and penalty)*	-	570.50
Provident fund**	Amount not determinable	Amount not determinable
	-	<b>570.50</b>



# Notes to the Consolidated Financial Statements

## Notes:

\* The Group had received an Income tax demand order disallowing the deduction claimed by the Group u/s 80 IB of the Income tax Act, 1961. The Group has filed an appeal against the said orders before Commissioner of Income tax Appeals (CIT (A)) which is pending for disposal as at year end. During the year the Group has updated its risk assessment of this order and concluded that the demand is not tenable and the risk is remote. Accordingly, this order is not included in the contingent liabilities of the group as on 31 March 2022.

\*\* There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28 February 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its consolidated financial statement, the Group has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1 March 2019 i.e., immediately after pronouncement of the judgement. The Group will evaluate its position, in case there is any other interpretation issued in future either in form of Social Security Code 2020, or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.

The Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are notified.

The Group, in respect of the above mentioned contingent liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

## NOTE 39: RELATED PARTY TRANSACTIONS

### Names of related parties and related party relationship

#### Related parties with whom transactions have taken place during the current year or previous year:

<b>Enterprise having significant influence</b>	SCI Growth Investment II
<b>Key management personnel ("KMP")</b>	Mr. Arvind Mehta, Chairman and Executive Director Mr. Amit Kumat, Managing Director and Chief Executive Officer Mr. Apoorva Kumat, Executive Director - Operations Mrs. Anisha Motwani, Independent Director Mr. Vineet Kumar Kapila, Independent Director Mr. Hareesh Ram Chawla, Independent Director (till 15 June 2021) Mr. Chetan Kumar Mathur, Independent Director Mr. Bharadwaj Thiruvankata Venkatavaraghavan, Independent Director
<b>Relatives of key management personnel</b>	Mr. Rajesh Mehta, Brother of Mr. Arvind Mehta Mr. Naveen Mehta, Brother of Mr. Arvind Mehta Mr. Arun Mehta, Brother of Mr. Arvind Mehta Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta Mrs. Rita Mehta, Wife of Mr. Arun Mehta Mrs. Premlata Kumat, Mother of Mr. Amit Kumat Mrs. Swati Bapna, Sister of Mr. Amit Kumat Mrs. Rakhee Kumat, Wife of Mr. Amit Kumat Mrs. Sandhya Kumat, Wife of Mr. Apoorva Kumat Mr. Satvik Kumat, Son of Mr. Apoorva Kumat
<b>Company in which relatives of KMP have control</b>	Vyapaar Vistar Tech Private Limited



# Notes to the Consolidated Financial Statements

## A Information about products and services

	Year ended 31 March 2022 ₹ lakhs	Year ended 31 March 2021 ₹ lakhs
<b>Revenue from sale of goods to external customers</b>		
Finished goods	1,37,864.03	1,15,964.43
Traded goods	445.74	183.77
	<b>1,38,309.77</b>	<b>1,16,148.20</b>

## B Information about geographical areas

	Sale of goods ₹ lakhs	Non current assets ₹ lakhs
<b>Year ended 31 March 2022</b>		
India	1,38,123.88	56,385.07
Outside India	185.89	-
<b>Total</b>	<b>1,38,309.77</b>	<b>56,385.07</b>
<b>Year ended 31 March 2021</b>		
India	1,15,903.69	57,887.57
Outside India	244.51	-
<b>Total</b>	<b>1,16,148.20</b>	<b>57,887.57</b>

## C Notes

- Segment revenue in the geographical segments considered for disclosure are as follows:
  - Revenue within India includes sales to customers located within India.
  - Revenue outside India includes sales to customers located outside India.
- The Group does not have any customer, with whom revenue from transactions is more than 10% of Group's total revenue.
- Non current assets consist of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development.

### NOTE 41: GOVERNMENT GRANT

Government grant consists of GST incentive amounting to ₹ 65.95 lakhs (31 March 2021: ₹ 80.61 lakhs), freight subsidy amounting to ₹ 336.78 lakhs (31 March 2021: ₹ 31.73 lakhs) and capital subsidy amounting to ₹ 335.63 lakhs (31 March 2021: ₹ 276.17 lakhs). There are no unfulfilled conditions or contingencies attached to these grants.

### NOTE 42: EXCEPTIONAL ITEM

There was a fire accident in one of the Holding Company's plants situated at Howrah, West Bengal, on 3 November 2021. The fire has severely impacted the building, plant & machinery, leasehold improvements, and inventories lying at the plant; however, there were no human casualties. The total impact of this event is ₹ 1,393.76 lakhs. Considering the nature of the event and magnitude of impact, this amount is disclosed as an exceptional item in the statement of profit and loss for the year ended 31 March 2022. Pending completion of the survey and acceptance of the claim by the insurance company, the insurance claim receivable has not been recorded in the statement of profit and loss for the year ended 31 March 2022.

# Notes to the Consolidated Financial Statements

## NOTE 43: EMPLOYEE STOCK PURCHASE PLAN

The Nomination and Remuneration Committee of the Board of Directors of the Holding Company at its meeting held on 9 August 2019 and 4 February 2022 have granted 3,47,000 and 59,800 Stock Appreciation Rights ('SAR') respectively to eligible employees of the Group under the Prataap Employees Stock Appreciation Rights Plan 2018 ('ESAR'). The said ESAR was approved by the shareholders in their Annual General Meeting held on 28 September 2018. The rights entitle the employees, to equity shares of the Holding Company on the satisfaction of service conditions attached to the grant and consequent exercise of the rights by the employees. The SAR's shall be vested in four equal instalments every year commencing from the end of one year from the grant date. The number of equity shares to be issued shall be determined based on the difference between the base price as per the scheme and the share price on the date of exercise. The SAR's expire at the end of 5 years from the grant date.

### Movement during 31 March 2022

Total for all grants	No. of Options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,47,000	775.00	775.00	3.86
Granted during the year	59,800	842.70	842.70	5.35
Forfeited / Cancelled during the year	1,56,634	775.00	775.00	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,50,166	775 - 842.70	791.18	3.42
Exercisable at the end of the year	1,00,761	775.00	775.00	1.89

### Movement during 31 March 2021

Total for all grants	No. of Options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,47,000	775.00	775.00	3.86
Granted during the year	-	-	-	-
Forfeited / Cancelled during the year	-	-	-	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	3,47,000	775.00	775.00	3.86
Exercisable at the end of the year	1,73,500	775.00	775.00	3.86

### Method used for accounting for share based payment plan:

The Group has used the fair value method to account for the compensation cost of SAR's to employees. The fair value of SAR's is estimated on the date of grant using the Black Scholes model. The fair value of SAR's and inputs used in the measurement of fair values on the grant date are as follows:

# Notes to the Consolidated Financial Statements

	Grant Date	
	09 August 2019	04 February 2022
Fair value at the grant date	257.24	241.45
Share price at the grant date	778.45	842.70
Exercise Price	778.45	842.70
Risk Free Interest Rate	6.02%	5.05%
Expected Life (in years)	4.01	2.50
Expected Volatility	30.25%	39.86%
Dividend Yield	0.13%	0.09%

Expected volatility has been based on an evaluation of the historical volatility of the Holding Company's share price, particularly over the historical period commensurate with the expected term.

## Amount recognised in the Consolidated financial statement related to employee stock appreciation rights

	31 March 2022 ₹ lakhs	31 March 2021 ₹ lakhs
Employee stock appreciation rights expense - included in Employee benefits expense (Refer Note 36)	(82.86)	313.37
Carrying amount of Employee stock appreciation rights reserve - included in Other Equity (Refer Note 17)	502.10	584.96

## NOTE 44: INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF THE ACT

Name of the entity	% of share in Net Assets		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	₹ lakhs	%	%	₹ lakhs	%	₹ lakhs
<b>Year ended 31 March 2022</b>								
<b>Holding Company</b>								
Prataap Snacks Limited	99%	62,091.43	318%	925.17	69%	15.89	300%	941.06
<b>Subsidiary Company</b>								
Avadh Snacks Food Private Limited*	6%	3,935.34	50%	146.57	31%	7.22	49%	153.79
<b>Employee Welfare Trust</b>								
Prataap Snacks Employees Welfare Trust	0%	24.82	(2%)	4.89	0%	-	(2%)	4.89
	<b>106%</b>	<b>66,051.59</b>	<b>371%</b>	<b>1,076.63</b>	<b>100%</b>	<b>23.11</b>	<b>351%</b>	<b>1,099.74</b>
Adjustments arising on consolidation	(6%)	(3,626.12)	(271%)	(785.73)	0%	-	(251%)	(785.73)
<b>Total</b>	<b>100%</b>	<b>62,425.47</b>	<b>100%</b>	<b>290.90</b>	<b>100%</b>	<b>23.11</b>	<b>100%</b>	<b>314.01</b>

# Notes to the Consolidated Financial Statements

Name of the entity	% of share in Net Assets		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	₹ lakhs	%	%	₹ lakhs	%	₹ lakhs
<b>Year ended 31 March 2021</b>								
<b>Holding Company</b>								
Prataap Snacks Limited	98%	61,350.50	147%	2,086.08	12%	2.04	146%	2,088.12
<b>Subsidiary Company</b>								
Avadh Snacks Food Private Limited*	6%	3,781.84	7%	105.19	88%	15.42	8%	120.61
<b>Employee Welfare Trust</b>								
Prataap Snacks Employees Welfare Trust	0%	19.94	(1)%	(8.41)	0%	-	(1)%	(8.41)
	<b>105%</b>	<b>65,152.27</b>	<b>153%</b>	<b>2,182.86</b>	<b>100%</b>	<b>17.46</b>	<b>153%</b>	<b>2,200.32</b>
Adjustments arising on consolidation	(5%)	(2,840.68)	(53%)	(767.27)	0%	-	(53%)	(767.27)
<b>Total</b>	<b>100%</b>	<b>62,311.59</b>	<b>100%</b>	<b>1,415.59</b>	<b>100%</b>	<b>17.46</b>	<b>100%</b>	<b>1,433.05</b>

\* Accounts of Red Rotopack Private Limited has been consolidated with Avadh Snacks Food Private Limited

## NOTE 45: FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Carrying value	
		As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Financial assets</b>			
<b>Measured at Amortised Cost</b>			
Loans	5, 13	1,901.99	1,942.14
Subsidy receivable	6, 14	2,927.44	2,598.06
Trade receivables	10	1,657.23	2,661.67
Cash and bank balances	11	1,898.88	1,178.47
Bank balance other than cash and cash equivalents	12	1,317.70	1,861.70
Other financial assets	6, 14	7,902.42	5,375.99
		<b>17,605.66</b>	<b>15,618.03</b>

	Note	Carrying value	
		As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Financial liabilities</b>			
<b>Measured at Amortised Cost</b>			
Lease liabilities	37	4,979.73	4,710.41
Borrowings	18	3,008.22	1,014.18
Trade payables	23	9,014.25	8,854.77
Other financial liabilities	24	880.23	622.84
		<b>17,882.43</b>	<b>15,202.20</b>

# Notes to the Consolidated Financial Statements

	Note	Carrying value	
		As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>Measured at Fair value through profit and loss</b>			
Deferred contingent consideration	19, 24	3,003.64	3,557.99
		<b>3,003.64</b>	<b>3,557.99</b>

The management assessed that fair value of trade receivables, other current financial assets, current loans, cash and bank balances, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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

## NOTE 46: FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
<b>I) Financial assets/liabilities at amortised cost</b>		
The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except subsidy receivables for which the fair value are as follows:		
Fair value of subsidy measured at amortised cost (Level 2)	2,532.14	1,577.27
<b>II) Financial liabilities at fair value through profit &amp; loss</b>		
Deferred contingent consideration (Level 3)	3,003.64	3,557.99

The Group determines the fair value of its financial instruments on the basis of the following hierarchy:

**Level 1:** The fair value of financial instruments that are quoted in active markets are determined on the basis of quoted price for identical assets or liabilities.

**Level 2:** The fair value of financial instruments that are not traded in an active market are determined using valuation techniques based on observable market data.

**Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

There are no transfers between different fair value hierarchy levels in 31 March 2022 and 31 March 2021.

# Notes to the Consolidated Financial Statements

## Fair value measurements

The following table shows the valuation technique used in measuring level 2 and level 3 values for financial instruments

Financial Asset / Liabilities	Valuation Technique	Significant unobservable inputs
Subsidy Receivable (Level 2)	The valuation model considers the present value of expected future cash flows discounted using discount rate as on the reporting date	Not Applicable
Deferred contingent consideration (Level 3)	31- March 2022 - The valuation model considers the estimate of present value of maximum earn out value that will be payable for written put option to purchase balance 9.52% stake in Avadh Snacks Private Limited.	Discount rate 31 March 2022 - 11.00% 31 March 2021 - 8.50%
	31- March 2021 -The valuation model considers the estimate of present value of maximum earn out value that will be payable for written put option to purchase balance 9.52% stake in Avadh Snacks Private Limited.	Expected profitability 31 March 2022 - 15.00% 31 March 2021 - 15.00%

Sensitivity Analysis (Level 3 fair values)	Sensitivity	Significant unobservable inputs
Deferred contingent consideration	31 March 2022 - A change of 100 basis points would increase / decrease the fair value by ₹ 40.00 lakhs 31 March 2021 -A change of 100 basis points would increase / decrease the fair value by ₹ 48.00 lakhs	Discount rate
	31 March 2022 - A change of 100 basis points would increase / decrease the fair value by ₹ 44.00 lakhs 31 March 2021 -A change of 100 basis points would increase / decrease the fair value by ₹ 28.00 lakhs	Expected profitability

A reconciliation of fair value measurement of the deferred contingent consideration is provided below:

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Opening balance as at 1 April	3,557.99	6,858.00
Purchase of 10.48% stake in Avadh Snacks Private Limited	-	(3,300.01)
Change in the fair value during the year recognised in the statement of profit and loss (unrealised) (Refer Note 28)*	(554.35)	-
<b>Closing balance as at 31 March</b>	<b>3,003.64</b>	<b>3,557.99</b>

\*The Board of directors of the Holding Company in their meeting held on 29 September 2021 had approved the scheme of amalgamation ("scheme") pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013, providing for the amalgamation of its subsidiaries Avadh Snacks Private Limited and Red Rotopack Private Limited with the Holding Company. The appointed date as per the scheme is 1 April 2021. Further, the Holding Company has received the approval from the exchanges and SEBI and has filed the merger application with National company law tribunal ("NCLT") and the approval is awaited. The Holding Company based on the agreed share swap ratio, has remeasured the fair value of deferred contingent consideration and recorded a gain of ₹ 554.35 lakhs in the statement of profit and loss for the year ended 31 March 2022. The effect of the scheme would be recognised on receipt of statutory approvals.



# Notes to the Consolidated Financial Statements

## NOTE 47: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, subsidy receivable, cash and cash equivalents, trade receivables and other receivables that are derived directly from its operations.

The Group is exposed to market risks, credit risks and liquidity risks. The Group's senior management oversees the management of these risks. The Group's senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks.

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and price risk, such as equity price risk. The Group is not significantly exposed to currency risk and price risk whereas the exposure to interest risk is given below.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings.

	Carrying value	
	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Borrowings (variable interest rate)	3,008.22	1,014.18

### Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for term loans that have floating rate at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If the interest rates had been 100 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Group's profit in that financial year would have been as below:

	Year ended 31 March 2022		Year ended 31 March 2021	
	100 bps increase ₹ lakhs	100 bps decrease ₹ lakhs	100 bps increase ₹ lakhs	100 bps increase ₹ lakhs
Interest expenses on loan	3.05	(3.05)	1.03	(1.03)
Effect on profit before tax and equity	(3.05)	3.05	(1.03)	1.03

### Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk arising on its trade receivables. Based on the historical experience and credit profile of counterparties (schedule banks, government and employees), the Group does not expect any significant risk of defaults arising on financial assets except trade receivables i.e. loans, subsidy receivables, cash and cash equivalents and other financial assets.

# Notes to the Consolidated Financial Statements

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Trade receivables	1,657.23	2,661.67
	<b>1,657.23</b>	<b>2,661.67</b>

Refer Note a below for credit risk and other information in respect of trade receivables.

## a. Trade receivables

Customer credit is managed by the Group's through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date, the further shipments are controlled and can only be released if there is a proper justification.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Based on the industry practices and the business environment in which the Group operate, management considers the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	Current but not due ₹ lakhs	Outstanding for following periods from due date of payment					Total ₹ lakhs
		Less than 6 Months ₹ lakhs	6 months – 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	
<b>As at 31 March 2022</b>							
Undisputed Trade Receivables – considered good	-	1,665.88	364.45	-	-	-	2,030.33
Undisputed Trade receivable – credit impaired	-	-	-	93.93	143.64	215.18	452.75
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	4.00	3.63	62.34	69.97
	-	<b>1,665.88</b>	<b>364.45</b>	<b>97.93</b>	<b>147.27</b>	<b>277.52</b>	<b>2,553.05</b>
Expected loss rate	-	1.98%	94.14%	96.90%	100.00%	100.00%	
<b>Loss allowance provision</b>	-	<b>33.06</b>	<b>343.08</b>	<b>94.89</b>	<b>147.27</b>	<b>277.52</b>	<b>895.82</b>

## Notes to the Consolidated Financial Statements

	Current but not due ₹ lakhs	Outstanding for following periods from due date of payment					Total ₹ lakhs
		Less than 6 Months ₹ lakhs	6 months – 1 year ₹ lakhs	1-2 years ₹ lakhs	2-3 years ₹ lakhs	More than 3 years ₹ lakhs	
<b>As at 31 March 2021</b>							
Undisputed Trade Receivables – considered good	849.51	1,819.75	19.34	7.30	-	-	2,695.90
Undisputed Trade receivable – credit impaired	-	-	-	98.88	139.61	201.91	440.40
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
	<b>849.51</b>	<b>1,819.75</b>	<b>19.34</b>	<b>106.18</b>	<b>139.61</b>	<b>201.91</b>	<b>3,136.30</b>
Expected loss rate	0.44%	0.42%	96.33%	97.18%	100.00%	100.00%	
<b>Loss allowance provision</b>	<b>3.71</b>	<b>7.58</b>	<b>18.63</b>	<b>103.19</b>	<b>139.61</b>	<b>201.91</b>	<b>474.63</b>

### Reconciliation of loss allowance provision for trade receivables

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Balance as at beginning of the year	474.63	544.89
Add/ (less): Provision for expected credit losses	421.19	(70.26)
Balance at end of the year	<b>895.82</b>	<b>474.63</b>

### Liquidity Risk

#### (i) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's principle sources of liquidity are cash and bank balances, fixed deposits and the cash flow that is generated from operations. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, liquidity risk is considered as low. The Group closely monitors its liquidity position and also maintains adequate source of funding.

#### (ii) Maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

# Notes to the Consolidated Financial Statements

	Carrying value ₹ lakhs	Less than 1 Year ₹ lakhs	1 - 5 Years ₹ lakhs	More than 5 years ₹ lakhs	Total ₹ lakhs
<b>As at 31 March 2022</b>					
<b>Non-Current liabilities:</b>					
(i) Lease liabilities	3,572.41	-	3,428.21	869.82	4,298.03
<b>Current liabilities:</b>					
(i) Borrowings	3,008.22	3,008.22	-	-	3,008.22
(ii) Lease liabilities	1,407.32	1,798.01	-	-	1,798.01
(iii) Trade payables	9,014.25	9,014.25	-	-	9,014.25
(iv) Other financial liabilities	3,883.87	3,883.87	-	-	3,883.87
	<b>20,886.07</b>	<b>17,704.35</b>	<b>3,428.21</b>	<b>869.82</b>	<b>22,002.37</b>
<b>As at 31 March 2021</b>					
<b>Non-Current liabilities:</b>					
(i) Lease liabilities	3,407.53	-	3,794.01	113.86	3,907.87
(ii) Other financial liabilities	3,557.99	-	4,004.00	-	4,004.00
<b>Current liabilities:</b>					
(i) Borrowings	1,014.18	1,014.18	-	-	1,014.18
(ii) Lease liabilities	1,302.88	1,674.91	-	-	1,674.91
(iii) Trade payables	8,854.77	8,854.77	-	-	8,854.77
(iv) Other financial liabilities	622.84	622.84	-	-	622.84
	<b>18,760.19</b>	<b>12,166.70</b>	<b>7,798.01</b>	<b>113.86</b>	<b>20,078.57</b>

## Changes in liabilities arising from financing activities:

	As at 1 April 2021 ₹ lakhs	Non Cash Changes			Cash flow changes ₹ lakhs	As at 31 March 2022 ₹ lakhs
		Accretion of interest ₹ lakhs	New leases recognised during the year ₹ lakhs	Leases derecognised during the year ₹ lakhs		
Lease liabilities	4,710.41	500.18	2,409.28	(700.90)	(1,939.24)	4,979.73
Borrowings	1,014.18	9.33	-	-	1,984.71	3,008.22
	<b>5,724.59</b>	<b>509.51</b>	<b>2,409.28</b>	<b>(700.90)</b>	<b>45.47</b>	<b>7,987.95</b>

	As at 1 April 2020 ₹ lakhs	Non Cash Changes			Cash flow changes ₹ lakhs	As at 31 March 2021 ₹ lakhs
		Accretion of interest ₹ lakhs	New leases recognised during the year ₹ lakhs	Leases derecognised during the year ₹ lakhs		
Lease liabilities	7,033.01	569.23	1,447.16	(2,536.22)	(1,802.77)	4,710.41
Borrowings	300.00	-	-	-	714.18	1,014.18
	<b>7,333.01</b>	<b>569.23</b>	<b>1,447.16</b>	<b>(2,536.22)</b>	<b>(1,088.59)</b>	<b>5,724.59</b>

## NOTE 49: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholders' value. The Group's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Group is monitoring capital using debt equity ratio as its base, which is debt to equity. The Group's policy is to keep healthy debt equity ratio ensuring minimum debt. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

# Notes to the Consolidated Financial Statements

	As at 31 March 2022 ₹ lakhs	As at 31 March 2021 ₹ lakhs
Debt* (A)	3,008.22	1,014.18
Equity (B)	62,425.47	62,311.59
Debt / Equity ratio (A / B)	0.05	0.02

\*Excluding lease liabilities

## NOTE 49: OTHER STATUTORY INFORMATION

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off under section 248 of Companies act 2013
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group do not have any such transactions which has not been recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) The Group has not been declared as wilful defaulter by any bank of financial institution or other lender

As per our report of even date

For **B S R & Co. LLP**

ICAI Firm registration number: 101248W/W-100022  
Chartered Accountants

**Vikram Advani**

Partner  
Membership no.: 091765  
UDIN:22091765AJHMZF6541

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

**Amit Kumat**

Managing Director and  
Chief Executive Officer  
DIN - 02663687

**Apoorva Kumat**

Executive Director (Operations)  
DIN - 02630764

**Sumit Sharma**

Chief Financial Officer

**Om Prakash Pandey**

Company Secretary

Place : Indore

Date : 20 May 2022

Place : Indore

Date : 20 May 2022

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**FORM AOC-1**

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

**PART "A": SUBSIDIARIES**

(₹ in lakhs)

Sr. No.	Particulars	Avadh Snacks Private Limited	Red Rotopack Private Limited
1.	Name of the subsidiary		
2.	Date of acquisition	01/10/2018	01/10/2018
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.
5.	Share capital (paid-up)	71.09	75.00
6.	Reserves & surplus	3801.27	62.99
7.	Total assets	4899.86	138.08
8.	Total liabilities	1027.50	0.09
9.	Investments	200.00	-
10.	Turnover	18382.59	4.02
11.	Profit/(loss) before taxation	201.93	(5.19)
12.	Provision for taxation	51.47	(1.31)
13.	Profit/(loss) after taxation	150.46	(3.88)
14.	Proposed dividend	-	-
15.	% of shareholding (paid-up)	90.48%*	Nil

(wholly owned subsidiary of Avadh Snacks Private Limited)

\*Include 1,01,563 partly paid-up equity shares.

The economic interest of the Holding Company in Avadh Snacks Private Limited is 100% as on 31<sup>st</sup> March, 2022.

Names of the subsidiary which are yet to commence operations: NIL

Names of subsidiary which have been liquidated or sold during the year: NIL

**PART "B": ASSOCIATES AND JOINT VENTURES**

Not Applicable

For and on behalf of the Board of Directors of  
**Prataap Snacks Limited****Amit Kumat**Managing Director and Chief Executive Officer  
DIN: 02663687**Apoova Kumat**Executive Director (Operations)  
DIN: 02630764**Sumit Sharma**

Chief Financial Officer

**Om Prakash Pandey**

Company Secretary

Place: Indore

Date: 20<sup>th</sup> May, 2022

# Notice

## 13<sup>TH</sup> ANNUAL GENERAL MEETING

### Prataap Snacks Limited

**CIN:** L15311MP2009PLC021746

**Registered Office:** Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India

**Tel:** (+91 731) 243 9999

**E-mail:** complianceofficer@yellowdiamond.in **Website:** www.yellowdiamond.in

NOTICE is hereby given that the Thirteenth (13<sup>th</sup>) Annual General Meeting of the members of Prataap Snacks Limited will be held on Wednesday, 3<sup>rd</sup> August, 2022 at 3:30 P.M. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the Reports of the Board of Directors and Auditor thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the Report of Auditor thereon.
2. To declare dividend on equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2022.
3. To appoint a Director in place of Mr. G.V. Ravishankar (DIN: 02604007), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

By Order of the Board of Directors  
For **Prataap Snacks Limited**

Om Prakash Pandey  
Company Secretary and Compliance Officer

### Registered Office:

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

Place: Indore

Date: 20<sup>th</sup> May, 2022

**NOTES FOR MEMBERS' ATTENTION**

1. In view of continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its Circular No. 2/2022 dated 5<sup>th</sup> May, 2022 read with Circular Nos. 21/2021 dated 14<sup>th</sup> December, 2021, 02/2021 dated 13<sup>th</sup> January, 2021, 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020 and 20/2020 dated 5<sup>th</sup> May, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting of companies through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of the members at a common venue. Further, the Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 ("SEBI Circular") has provided relaxation from compliance with certain provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") regarding sending of hard copy of annual report and proxy form in line with aforesaid MCA Circulars.
2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") and Listing Regulations read with the MCA Circulars and SEBI Circular the 13<sup>th</sup> Annual General Meeting ("AGM"/"Meeting") of the Company is being conducted through Video Conferencing (VC)/Other Audio Visual Means (OAVM). In accordance with Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15<sup>th</sup> April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
3. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Since, this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members is not available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto. However, the Institutional/Corporate Shareholders are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Since, the AGM will be held through VC/OAVM, the route map of the venue of the meeting is also not annexed hereto.
4. Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility to attend the AGM through VC/OAVM will be made available for 1000 Members on first-come-first-served basis. The large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are allowed to attend the AGM without restriction on account of first-come-first-served basis.
5. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 28<sup>th</sup> July, 2022 to Wednesday, 3<sup>rd</sup> August, 2022 (both days inclusive) for the purpose of AGM and determining the name of members eligible for dividend on equity shares, if declared, at the AGM.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM through VC/OAVM upon log-in to CDSL e-Voting system. All the above documents will also be available electronically for inspection upto the date of AGM. Members seeking to inspect such documents can send an e-mail to [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in).
8. If the dividend as recommended by the Board of Directors is declared at the AGM, payment of such dividend will be made on or before 1<sup>st</sup> September, 2022 as under:
  - (i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 27<sup>th</sup> July, 2022; and
  - (ii) To all Members in respect of shares held in physical form as per Register of Members as of the close of business hours on 27<sup>th</sup> July, 2022, after giving effect to valid transposition or transmission request, if any, lodged with the Company on or before 27<sup>th</sup> July, 2022.
9. As you may be aware, in terms of the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend paid or distributed by a company on or after 1<sup>st</sup> April, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend.



**For Resident Shareholders:**

- Tax will be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during FY 2022-23 provided PAN is submitted by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961. However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him/her during FY 2022-23 does not exceed ₹ 5,000.
- Separately, in case where the shareholder submits Form 15G [Click here to download Form 15G](#) (applicable to any person other than a company or firm)/Form 15H [Click here to download Form 15H](#) (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no tax at source will be deducted.

**For Resident Shareholders other than Individuals:** No tax will be deducted at source provided sufficient documentary evidence thereof, to the satisfaction of the Company is submitted. This illustratively includes providing the following:

- **Insurance Companies:** A declaration that they are beneficial owners of the shares held alongwith self-attested copy of PAN.
- **Mutual Funds:** Self-declaration that they are specified and covered under Section 10(23D) of the Income Tax Act, 1961 alongwith a self-attested copy of PAN and registration certificate.
- **Alternative Investment Fund (AIF) established/ incorporated in India:** Self-declaration that its income is exempt under Section 10(23FBA) of the Income Tax Act, 1961 and they are established as Category I or Category II AIF under SEBI Regulations alongwith a self-attested copy of PAN and registration certificate.
- **Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income:** Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of Income Tax Act, 1961 alongwith a self-attested copy of PAN and registration certificate.
- **Other Resident Non Individual Shareholders:** Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and who are covered under Section 196 of the Income Tax Act, 1961 shall also not be subjected to any TDS, provided they submit an attested copy of PAN alongwith the documentary evidence in relation to the same.

**For Non-resident Shareholders:** Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Act, the withholding tax will be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
- Self-declaration in Form 10F (Click here to download Form 10F) if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of Permanent Account Number (PAN) allotted by the Indian Income Tax authorities.
- Self-declaration in the attached format (Click here to download form) certifying the following points:
  - i. Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22;
  - ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - iv. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
  - v. Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Non-Resident shareholder.

Notwithstanding as mentioned above, tax will be deducted at source at the rate of 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors (FII) and Foreign

Portfolio Investors (FPI). Such TDS rate will not be reduced on account of the application of favorable DTAA rate, if any.

**TDS to be deducted at higher rate in case of non-filers of return of income:** Section 206AB of the Income Tax Act, 1961 effective from 1<sup>st</sup> July, 2021 provides that where tax is required to be deducted at source on any sum or income or amount paid, or payable or credited, by a person to a specified person, the tax shall be deducted at the higher of the following rates, namely:

- (i) at twice the rate specified in the relevant provision of the of the Income Tax Act, 1961; or
- (ii) at twice the rate or rates in force; or
- (iii) at the rate of 5%

If the provisions of Section 206AA of the Income Tax Act, 1961 is applicable to a specified person, in addition to the provisions of Section 206AB of the Income Tax Act, 1961, the tax shall be deducted at higher of the two rates provided in Section 206AB and Section 206AA of the Income Tax Act, 1961.

The “specified person” means a person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of Section 139 of the Income Tax Act, 1961 has expired and the aggregate of tax deducted at source and tax collected at source in his case is Rs. 50,000 or more in the said previous year.

The specified person shall not include a non-resident who does not have a permanent establishment in India.

All the above referred tax rates will be enhanced by the applicable surcharge and cess, wherever applicable.

To enable us to determine the appropriate TDS/withholding tax rate applicable, the aforementioned documents are required to be uploaded with the Share Transfer Agent viz. KFin Technologies Limited (formerly known as KFin Technologies Private Limited), at <https://ris.kfintech.com/form15> or email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) on or before 27<sup>th</sup> July, 2022.

No communication on the tax determination/deduction shall be entertained after 27<sup>th</sup> July, 2022.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents on time, you would still have an option of claiming refund of the higher tax paid at the time of filing your income tax return. No claim shall lie against the Company for such tax deducted.

We will arrange to e-mail the soft copy of TDS Certificate, if any, to your registered e-mail ID in due course, post payment of dividend.

10. Members holding shares in dematerialised form may please note that their bank account details as furnished by the respective depositories to the Company will be considered for payment/remittance of dividend. The Company or its Share Transfer Agent will neither entertain nor act on any direct request from such members for change/deletion in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend to be paid on shares held in dematerialised form. Members may therefore, give instructions regarding bank account details in which they wish to receive dividend to the Depository Participants. Members holding shares in physical form are requested to inform any change in their address or bank mandates to the Company/Share Transfer Agent. In the event the Company is unable to pay dividend to certain members directly in their bank account through Electronic Clearing Service (ECS) or any other means due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Dividend Warrant/Bankers Cheque/Demand Draft to such Members.

11. Member may kindly note that the Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November, 2021 has issued common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination. In compliance with the above Circular, the Company has already sent the necessary communication to all the shareholders holding shares in physical form and the following forms are available on the Company's website at [www.yellowdiamond.in](http://www.yellowdiamond.in) and on Share Transfer Agent's website at [www.kfintech.com](http://www.kfintech.com):

- (i) Form ISR-1 (Register/Change PAN & KYC Details);
- (ii) Form ISR-2 (Confirmation of Signature of securities holder by Bank);
- (iii) Form ISR-3 (Declaration to Opting out Nomination);
- (iv) Form SH-13 (Nomination Form);
- (v) Form SH-14 (Cancellation of Nomination).

Shareholders holding shares in physical form are requested to use the aforesaid forms for updating their PAN, KYC, Nomination etc.

12. Member may note that as per amended Regulation 40 of the Listing Regulations, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialised form with a depository. Further, the shares shall be issued in dematerialised form only while processing the request for transmission, transposition, duplicate, renewal/exchange, sub-division/splitting, consolidation of

- shares certificate etc. as provided in Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 issued by the Securities and Exchange Board of India. In this regard, in compliance with the above Circular, the Form ISR-4 (Request for issue of Duplicate Certificate and other Service Requests) is available on the Company's website at [www.yellowdiamond.in](http://www.yellowdiamond.in) and on Share Transfer Agent's website at [www.kfintech.com](http://www.kfintech.com). In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, shareholders are advised to dematerialise the shares held by them in physical form.
13. Non-resident Indian Members are requested to inform Share Transfer Agent, immediately of:
    - (i) the change in the residential status on return to India for permanent settlement; and
    - (ii) the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  14. Members who have so far not encashed their dividend warrants for the dividend for the year(s) ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2021 are requested to write to the Company or its Share Transfer Agent, viz. KFin Technologies Limited (formerly known as KFin Technologies Private Limited) for issuance of demand draft/bankers cheque in lieu of unencashed/unclaimed dividend warrant. The details of such unpaid and unclaimed dividends have been uploaded on the website of the Company at [www.yellowdiamond.in](http://www.yellowdiamond.in).
  15. In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only by e-mail to the Members whose e-mail address are registered with the Company/Depositories. The Notice and Annual Report 2021-22 has been uploaded on the website of the Company at [www.yellowdiamond.in](http://www.yellowdiamond.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The same is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). However, hard copy of the Annual Report will be sent to Members on request. Members, who wish to update or register their e-mail address, in case of demat holding, may please contact their Depository Participant (DP) and register their e-mail address, as per the process advised by their DP and in case of physical holding, may send a request to KFin Technologies Limited (formerly known as KFin Technologies Private Limited), the Share Transfer Agent of the Company at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  16. Members seeking any information or clarification regarding the financial statements or any matter to be placed at the AGM are requested to write to the Company, on or before 27<sup>th</sup> July, 2022 through e-mail on [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in).
  17. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. The Company has connectivity from NSDL and CDSL and equity shares of the Company may be held in dematerialised form with any Depository Participant (DP) with whom the members/investors are having their demat account. The ISIN for the equity shares of the Company is INE393P01035. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent of the Company.
  18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company or to the Share Transfer Agent at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  19. Information pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) in respect of the Director seeking re-appointment at the AGM is furnished in Annexure-I, which is annexed to the Notice and forms part of the Notice. The Director has furnished the requisite consent/declaration for his re-appointment.
  20. KFin Technologies Limited (formerly known as KFin Technologies Private Limited), Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana, India is the Share Transfer Agent for physical shares of the Company. KFin Technologies Limited is also the depository interface of the Company with both NSDL and CDSL. Members are requested to address all correspondences to the said Share Transfer Agent or write e-mail at their e-mail address at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). The website of the Share Transfer Agent is [www.kfintech.com](http://www.kfintech.com).
  21. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and in compliance with MCA Circulars and

SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. In addition, the facility of voting through e-voting system shall also be made available during the AGM for Members of the Company participating in the AGM through VC/OAVM and who have not cast their vote by remote e-voting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a Member using remote e-voting as well as e-voting system on the date of the AGM in case of a Member participating in the AGM through VC/OAVM will be provided by CDSL.

**22. Instructions for remote e-voting, e-voting and joining the virtual AGM are as follows:**

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING THE VIRTUAL MEETING ARE AS UNDER:**

1. The voting period begins on Saturday, 30<sup>th</sup> July, 2022 at 9:00 a.m. and ends on Tuesday, 2<sup>nd</sup> August, 2022 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. 27<sup>th</sup> July, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue.
3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.  
  
Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.  
  
In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
4. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in order to access e-Voting facility.

Pursuant to the aforesaid SEBI Circular, Login method for e-Voting and joining virtual meeting **for Individual shareholders holding securities in Demat mode with CDSL/NSDL** is as under:

Type of shareholders	Login method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login Easi/Easiest, the user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at above mentioned websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**5. Login method for e-Voting and joining virtual Meeting for Physical shareholders and shareholder other than individual holding shares in Demat form:**

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" module
- (iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or contact RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for PRATAAP SNACKS LIMITED on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) There is also an optional provision to upload BR/POA, if any, which will be made available to Scrutinizer for verification.
- (xviii) **Additional Facility for Non-Individual Shareholders and Custodians-For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
  - It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer at [csriteshgupta@gmail.com](mailto:csriteshgupta@gmail.com) and to the Company at [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.
- The procedure for remote e-voting is same as the instructions mentioned above for e-voting.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending Meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend Meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to Meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in). The shareholders who do not wish to speak during the Meeting but have queries may send their queries in advance **7 days prior to Meeting** mentioning their name, demat account number/folio number, e-mail id, mobile number at [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in). These queries will be replied by the Company suitably by e-mail.
8. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
9. Only those shareholders, who are present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the Meeting and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

2. For Demat shareholders - Please update your e-mail id and mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your e-mail id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual Meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33.

23. The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date, i.e. 27<sup>th</sup> July, 2022.
24. The Company has appointed Mr. Ritesh Gupta (CP No. 3764), Proprietor of M/s. Ritesh Gupta & Co., Company Secretaries,

as Scrutinizer to scrutinize the remote e-voting process and e-voting system at the AGM in a fair and transparent manner.

25. The Scrutinizer shall after the conclusion of e-voting at the Meeting, first count the votes cast at the Meeting through e-voting system, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, within two days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
26. The result shall be declared on or after the date of the Meeting of the Company and shall be deemed to be passed on the date of the Meeting. The result declared, alongwith the Report of the Scrutinizer shall be placed on the website of the Company i.e. [www.yellowdiamond.in](http://www.yellowdiamond.in) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing in that behalf. The result shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.



**ANNEXURE – I**

Details as per Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) of Director seeking re-appointment at the Annual General Meeting as referred to in the Notice:

<b>Name of Director</b>	<b>Mr. G.V. Ravishankar</b>
<b>DIN</b>	02604007
<b>Date of Birth</b>	04 <sup>th</sup> April, 1978
<b>Age</b>	44 years
<b>Nationality</b>	Indian
<b>Date of first appointment on the Board</b>	12 <sup>th</sup> May, 2011
<b>Qualifications &amp; Experience (including nature of expertise in specific functional areas)/Brief resume</b>	Mr. G.V. Ravishankar holds a bachelor's degree in engineering from Bharathidasan University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has previously worked with McKinsey & Company from 2004 to 2006. He has around 21 years of experience in management consultancy and private equity investments.
<b>Number of shares held in the Company, including shares held as a beneficial owner</b>	Nil
<b>List of Directorships held in other companies (including listed companies)</b>	a) Go Fashion (India) Limited b) Indigo Paints Limited c) Five-Star Business Finance Limited d) CapFloat Financial Services Private Limited e) Finova Capital Private Limited f) Sequoia Capital India Advisors Private Limited g) Rupeek Fintech Private Limited h) Homevista Decor and Furnishings Private Limited i) Fintech Blue Solutions Private Limited j) K12 Techno Services Private Limited k) Rebel Foods Private Limited l) Think & Learn Private Limited
<b>Chairman/Member of the Committees of the Board of Company(s) in which he is a Director</b>	<b>Member:</b> Prataap Snacks Limited: a) Audit Committee b) Risk Management Committee c) Nomination and Remuneration Committee  Go Fashion (Indian) Limited: a) Stakeholders Relationship Committee b) IPO Committee
<b>Listed companies from where he has resigned in the past three years</b>	Nil
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	None
<b>Number of meetings of Board of Directors attended during the year ended 31<sup>st</sup> March, 2022</b>	5
<b>Terms and conditions of re-appointment</b>	Re-appointment as a Director, liable to retire by rotation.
<b>Remuneration last drawn by him, if applicable and remuneration sought to be paid</b>	Nil

By Order of the Board of Directors  
For **Prataap Snacks Limited**

**Registered Office:**

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

Place: Indore

Date: 20<sup>th</sup> May, 2022

**Om Prakash Pandey**  
Company Secretary and Compliance Officer









**PRATAAP SNACKS LIMITED**

Khasra No. 378/2, Nemawar Road, Near Makrand House,  
Palda, Indore – 452020, Madhya Pradesh, India  
Tel. +91 731 2439999 | Email: [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in)

**[www.yellowdiamond.in](http://www.yellowdiamond.in)**