

**Chatha Foods Limited**

(Formerly Known as Chatha Foods Private Limited)

**Regd. Office:** 272, Mota Singh Nagar Jalandhar Punjab, Pin code -144001, Phone No. 0181-4616381**CIN:** L15310PB1997PLC020578, **E-mail:** [cs@cfpl.net.in](mailto:cs@cfpl.net.in), **Website:** <https://cfpl.net.in>

To

Date: 25.09.2024

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400001  
Maharashtra, India  
**(Scrip Code: 544151)**

**SUBJECT: Submission Of Revised Annual Report for the financial year 2023-24- pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

This is in furtherance to our email dated 02th September, 2024 wherein the Company had circulated its 27th Annual Report for the financial year 2023-2024 along with the Notice of the 27th Annual General Meeting to be held on Tuesday, 24th September, 2024 at 11.00 a.m. through Video Conference / Other Audio Visual Means in compliance with the circulars issued by the Ministry of Corporate and the Securities and Exchange Board of India (SEBI). We hereby inform you that certain inadvertent typographical error/omission was noticed in the **Human Capital** Section of the Annual Report which is as follow:

<b>Page No.</b>	<b>Existing matter in Annual Report</b>	<b>Correction in Annual Report</b>
21.	<p>Human Capital</p> <p>We are committed to empowering our people to realise their full potential by ensuring equal opportunities, encouraging employees collaboration and cultivating a culture that promotes growth and overall well-being. Collaboration is at the heart of our mission to create a truly exceptional and innovative work culture at <b>Tasty Bite</b>.</p>	<p>Human Capital</p> <p>We are committed to empowering our people to realise their full potential by ensuring equal opportunities, encouraging employees collaboration and cultivating a culture that promotes growth and overall well-being. Collaboration is at the heart of our mission to create a truly exceptional and innovative work culture at <b>Chatha Foods</b>.</p>

The said inadvertent typographical error has been rectified and Revised Annual Report for the financial year 2023-24 is hereby submitted pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

You are kindly requested to take the same on record and oblige.

Thanking you,

Yours truly,

For **CHATHA FOODS LIMITED**

**PRIYANKA OBEROI**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**

Encl: as above

**CHATHA**FOODS

PROCESSED & FROZEN FOOD



**ANNUAL  
REPORT**

**FY 2023-24**

**Chatha Foods Limited**

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### Forward-looking statements

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements, although we believe we have been cautious.

**C**hallenges may intimidate but they cannot be overlooked.

**And to emerge victorious, the courage to tide through storms adds strength to character, unlocking opportunities to look beyond uncertainty.**

In the words of Theodore Roosevelt, **“Believe you can and you’re halfway there.”**

It is this belief that drives Chatha Foods Limited to discover new trajectories amidst obstacles, to traverse a path to success. With years of expertise and experience, we have continued to establish a distinguished identity, evolving and adapting to changing business needs. Our constant focus on acquiring cutting-edge technology to ensure operational efficiency have continuously supported our endeavours to sustain remarkable achievements.

As we continue to reimagine a brighter future, we aspire to carry forward the learnings of today to design a stable and stronger tomorrow – by converting challenges into opportunities and identifying new possibilities we are welcoming new beginnings.



India presents a compelling growth narrative. As the economy accelerates, rising disposable incomes will drive the consumption sector, including the QSR industry. We are persistently expanding our reach across the country, meticulously building our footprint, readying ourselves to capture the next wave of consumer trends.

While India presents a promising future, the last few quarters were subdued and low on consumer sentiments. Amid these passive trends and inflationary pressures, our performance has demonstrated remarkable resilience over the past year. From different functions working cohesively together for seamless and efficient operations, entering new geographies, introducing innovative products, adapting our menus, rationalizing costs, and forging strategic collaborations to expand our presence in key locations. Our multi-faceted approach has driven steady growth and enhanced agility in responding to new prospects. Our vision is now set on a refreshed tomorrow, with continued investments paving the way for long-term growth.

**From a  
resilient  
today, we  
stride confidently  
toward a  
refreshed  
tomorrow.**





### OUR VISION

Champion nutritious and convenient meals for families by capable and passionate team.



### OUR MISSION

To be a Socially Responsible company that will Delight consumers by offering Great Taste, Good Value & Real Convenience achieved through Manufacturing & Marketing Natural, Convenient & Specialty Foods in a Knowledge-driven, Energetic & Fun work environment



### OUR PROMISES

Great taste  
No artificial ingredients  
No preservatives  
No trans fat  
Good value  
Real convenience

## Who are our stakeholders



INFLUENCE WHAT WE DO AND BENEFIT FROM THE VALUE WE CREATE



Shareholders and investors



Employees



Consumers



Supply partners



Distributors and support staff



Bankers

INFLUENCE WHAT WE DO



Government and regulators



Media

## A delectable portfolio

We are dedicated to providing healthy, tasty and nutritious meals without artificial flavours, additives or preservatives. To ensure that we consistently cater to the evolving food preferences of our consumers, we prioritise diversifying our product range. we make sure that our offerings are loved



# Corporate Information

## BOARD OF DIRECTORS

**Paramjit Singh Chatha**  
Chairman & Managing Director

**Gurucharan Singh Gosal**  
Whole-time Director

**Gurpreet Chatha**  
Whole-time Director

**Chinmayee Swarup Deulgaonkar**  
Independent Director

**Purnachand Upadrashta**  
Independent Director

**Sanjiv Swarup**  
Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Priyanka Oberoi

## CHIEF FINANCIAL OFFICER

Mr. Vishal Singh Sirmauria

## STATUTORY AUDITORS

M/s. A. Bafna & Co.,  
Chartered Accountant

## DETAILS OF CHATHA FOODS LIMITED

**Email id:** cs@cfpl.net.in

**Phone No:** 0181-4616381

**website :** <https://cfpl.net.in/>

## PRACTICING COMPANY SECRETARY

Jaspreet Dhawan & Associates,  
Company Secretaries

## BANKERS

Kotak Mahindra Bank

## REGISTERED OFFICE

272, Mota Singh Nagar,  
Jalandhar, Punjab-144001

## Corporate office

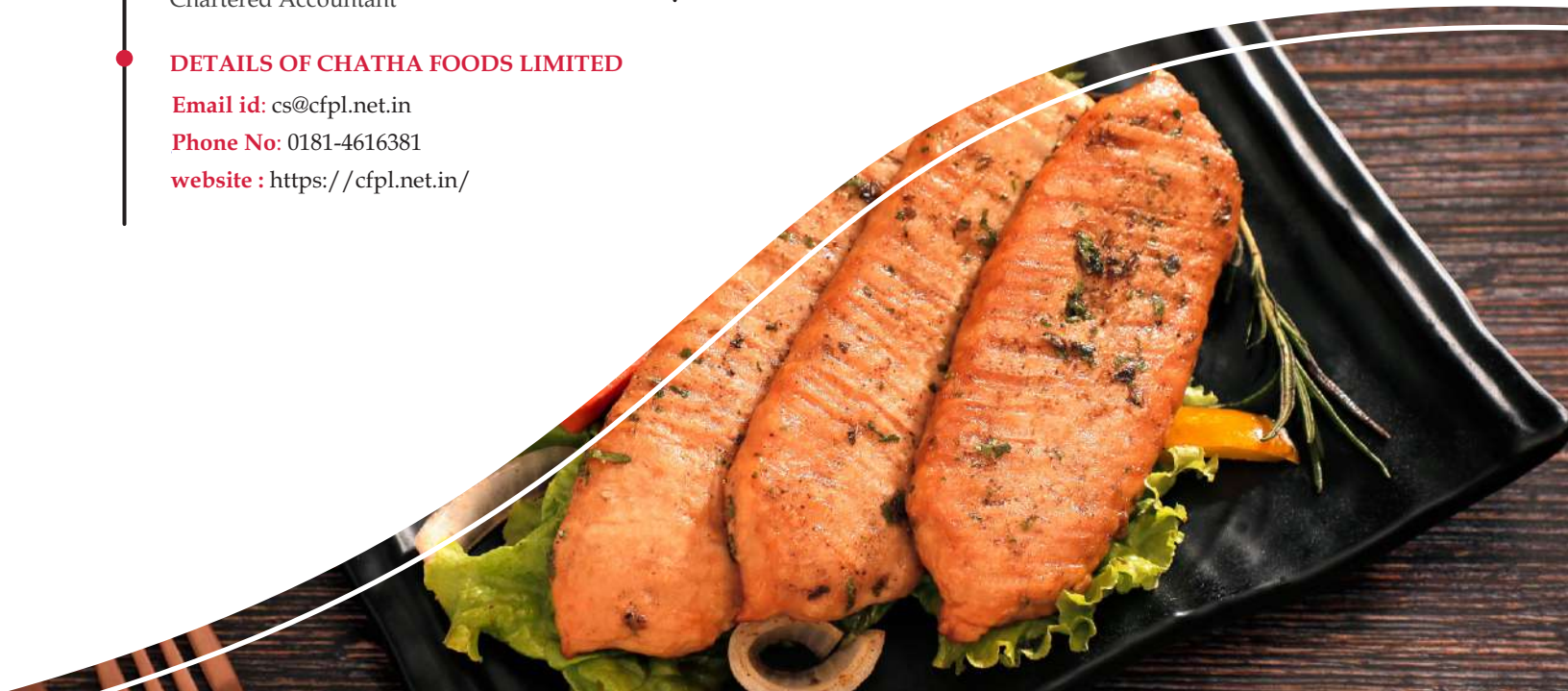
Village Chaundheri,  
P.O. Dappar, Chandigarh- Ambala  
Highway, Distt- SAS NAGAR,  
Punjab 140506

## REGISTRAR AND TRANSFER AGENT

Skyline Financial Services Private Limited  
D-153 A | 1st Floor | Okhla Industrial Area,  
Phase - I New Delhi-110 020.

**Email id:** admin@skylinerta.com

**Phone no:**011-26812682-83, 40450193 to 97





# Chairman's Reflections



“NAVIGATING THE EVOLVING BUSINESS LANDSCAPE: CHATHA FOODS LIMITED'S STRATEGIC VISION”

As the business landscape evolves, influenced by shifting consumer preferences and dynamic industry trends, Chatha Foods Limited remains acutely attuned to these changes. We adeptly leverage these transformations to our advantage, viewing challenges as opportunities to drive innovation and stimulate growth.

Since our inception in 1998, our unwavering commitment to continuous improvement and adaptability has positioned us at the forefront of this ever-evolving marketplace. Our core mission revolves around producing premium-quality processed meat, utilizing cutting-edge technology, and maintaining an unyielding dedication to excellence. This steadfast commitment has solidified our standing as India's premier manufacturer of frozen, ready-to-eat poultry and meat products.

In response to emerging market trends and aligned with our strategic vision, we strategically expanded our product portfolio. In 2021, we introduced plant-based mock meats, and by mid-2022, we launched a range of vegetarian products. This expansion underscores our resolve to remain



relevant and agile while upholding our rigorous quality standards.

Our ability to anticipate market changes and respond with agility and foresight is exemplified through these strategic initiatives. Looking ahead, we remain resolute in our mission: to deliver exceptional products through advanced technology and unwavering quality control. Our focus on innovation and excellence will continue to propel our growth and success in the years to come.

During the fiscal year 2023-2024, we conveyed our appreciation to current shareholders by issuing bonus Equity Shares at a ratio of one new Equity Share for every three fully paid existing Equity Shares. This gesture reflects our commitment to acknowledging and valuing the trust placed in our company.

Furthermore, our recent achievement—raising funds through an Initial Public Offering (IPO) to establish a state-of-the-art plant dedicated to Vegetarian Frozen Ready-to-Eat (RTE) and Ready-to-Cook (RTC) products—stands as a

testament to the unwavering support and trust from our esteemed investors, loyal customers, and dedicated team members.

As we reflect on the fiscal year, I am delighted to share some remarkable accomplishments:

- **Revenue Surge:** Over the past 4 years (from 2021 to 2024), Our revenue has surged with an impressive CAGR of more than 22 %, a testament to our robust performance and strategic execution and incredible trust by our customers. We expect to keep it maintained as we have onboarded few new QSR which have exponential growth potential.
- **EBITDA Growth:** Our EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) has leaped from 6.1% to an impressive 9.1%, demonstrating our financial strength.

- **Profit After Tax (PAT):** Our PAT has climbed from 2.1% to a robust 4.6%, underscoring our effective business strategies.

These results are a direct outcome of our team's dedication and the steadfast support from our valued shareholders, partners, and customers.

As we navigate our path ahead, our constant focus remains on upholding excellence and reaching new milestones. We sincerely appreciate your ongoing partnership, unwavering confidence in our vision, and steadfast commitment to quality.

Thank you for being an integral part of our journey.'

Warm regards,

**Paramjit Singh Chatha**

Chairman



# GOOD GOVERNANCE



**Paramjit Singh Chatha**  
Chairman & Managing Director

- 25+ years of experience in frozen and ready-to-eat processed food industry
- Actively involved in planning and formulating overall business commercial strategy since inception and
- Plays a key role in establishment and maintaining strong customer relations



**Gurucharan Singh Gosal**  
Whole-time Director

- 47 years of experience in food and food related items business
- Served as a president of various food chains in Canada like Bouche, Tabagie S&R Montreal, Restaurant La Bouche etc.
- Serves as a Director overseeing financial affairs of the company



**Gurpreet Chatha**  
Whole-time Director

- 20+ years of experience in frozen and ready to-eat processed food industry
- Actively engaged in purchase and supply chain section and heads the purchase department



**Chinmayee Swarup  
Deulgaonkar**  
Independent Director

- 24+ years of experience in the field of regulatory compliance, production, system, sustainability, auditing and training programs
- FSSAI's national resource person for development of FOSTAC training
- Worked with FoodChainID India, DNV, and Monginis



**Purnachand Upadrashta**  
Independent Director

- 30+ years of experience in various capacities in Indian food industry. Holds a PG degree from University of Bombay
- He specializes in designing market strategies for food and Agri businesses, the from startups to global firms eyeing to enter Indian market through consulting, advising and board service

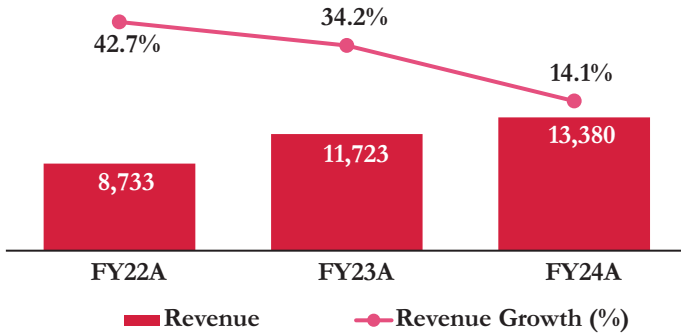


**Sanjiv Swarup**  
Independent Director

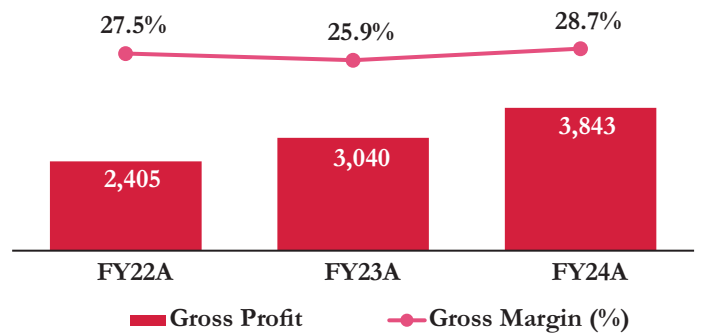
- 40+ years of experience in providing management consulting services to the various clients
- Holds a bachelor degree from the University of Calcutta and a bachelor degree in law from Saurashtra University
- He is also a member of the ICAI of India

# Financial Performance

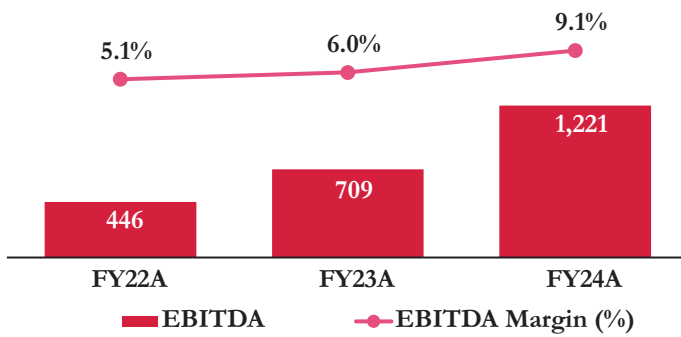
Revenue & Growth (INR Lakhs, %)



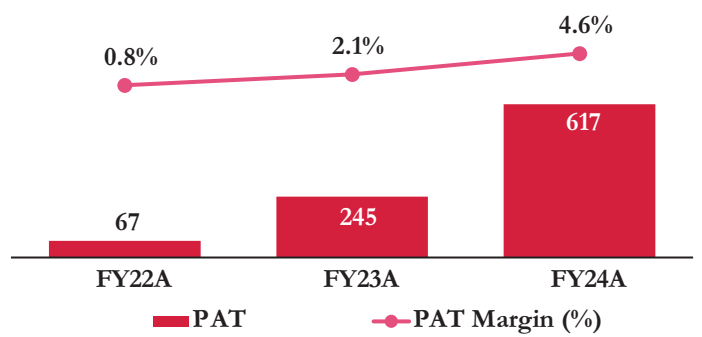
Gross Profit & Gross Margin (INR Lakhs, %)



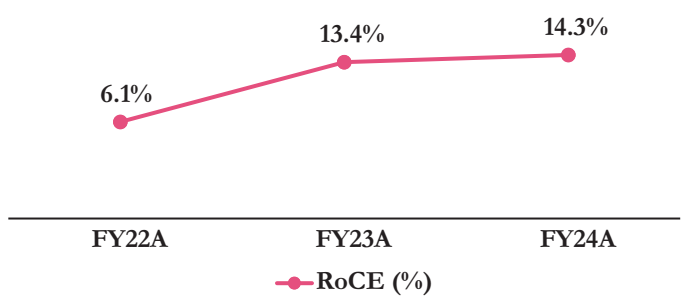
EBITDA & EBITDA Margin (INR Lakhs, %)



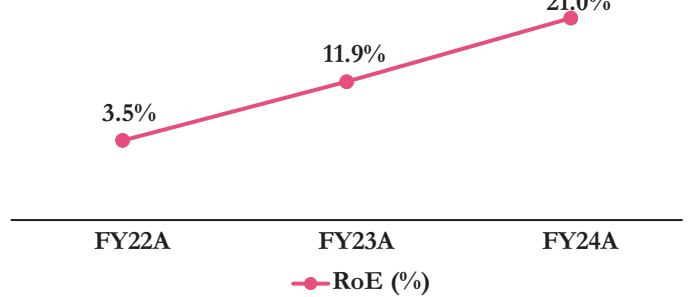
PAT & PAT Margin (INR Lakhs, %)



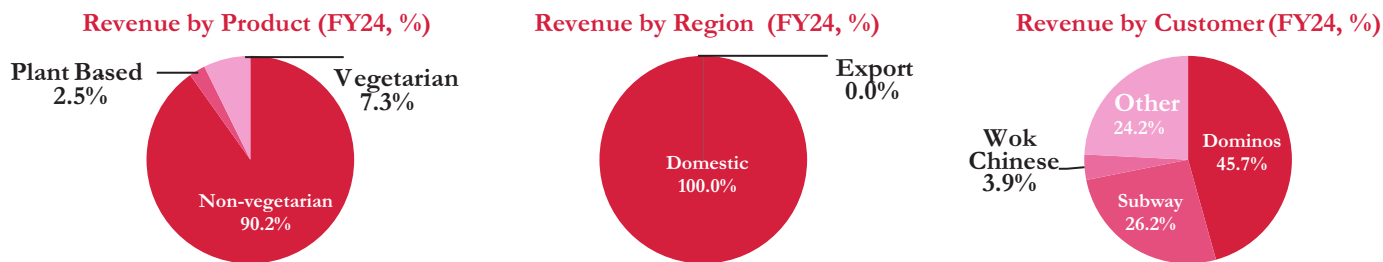
Return on Capital Employed (%)



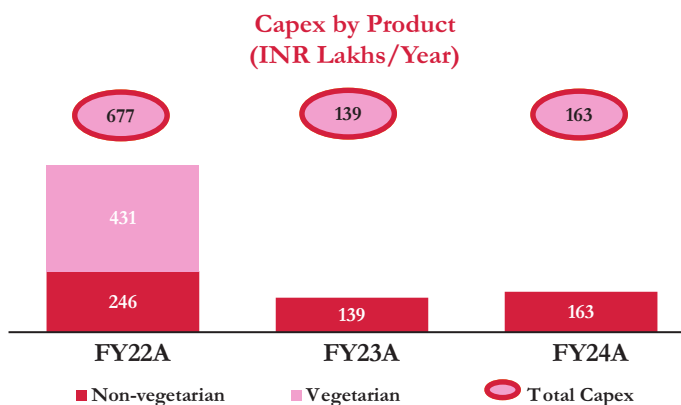
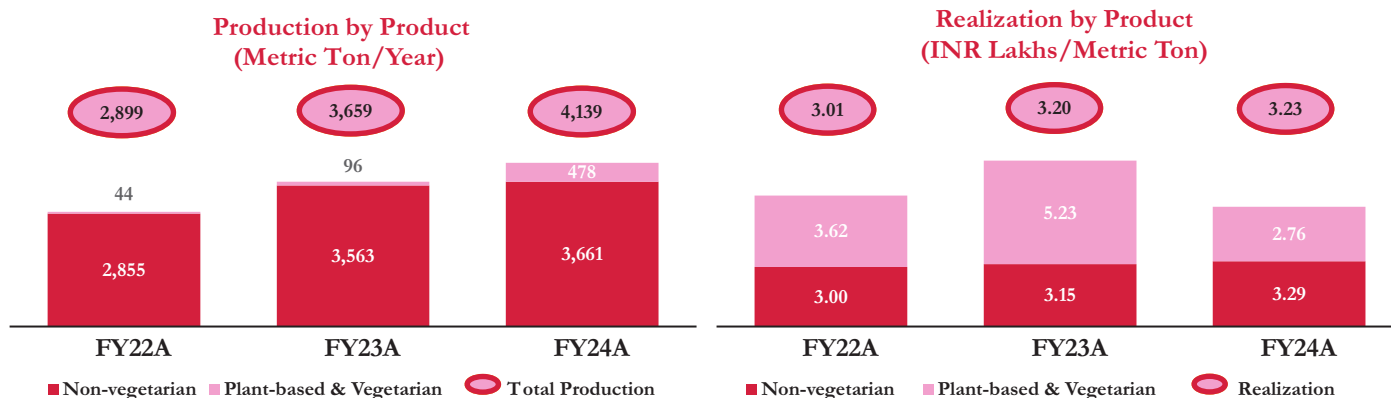
Return on Equity (%)



## Update on Revenue Segmentation and Other Key Metrics

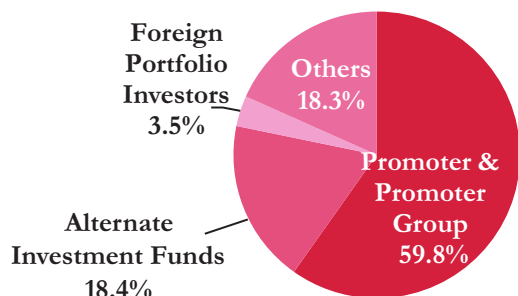


Key Metrics	As on 31 <sup>st</sup> March 2024
Distributors	38
Cities	40
QSRs (Quick Service Restaurants)	156
SKUs (Stock Keeping Units)	193
Nonvegetarian	122
Plantbased	31
Vegetarian	40
Customers	40
Employees	403



# Capital Market Data

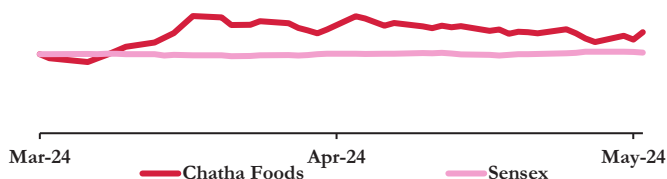
## Shareholding Pattern (as on 31<sup>st</sup> March 2024, %)



Total Number of Shareholders – 642

## Share Price Performance – Since Listing (rebased to 100)<sup>1</sup>

Last traded price	INR 98.0	▲	27.9%
Market capitalization	INR 22,046.9 Lakhs	▲	2.1%



## Key Institutional Investors (as on 31<sup>st</sup> March 2024, %)

Particulars	Holding
Negen Undiscovered Value Fund	10.4%
Persistent Growth Fund	3.7%
Aurum SME Trust I	1.7%
Mauryan First	1.2%
Nova Global Opportunities Fund	2.4%

## IPO Proceeds Utilization (as on 31<sup>st</sup> March 2024, INR Lakhs)

Particulars	Amount	Amount Utilized
Setting up manufacturing facility	2,411	122
General corporate purpose	447	34
Issue related expenses	481	369
<b>Total</b>	<b>3,339</b>	<b>525</b>

At Chatha Food, we create value that grows, enriches and sustains. By sourcing high-quality ingredients, implementing eco-friendly practices, and maintaining rigorous standards of excellence, we not only enhance our product offerings but also strengthen our relationships with customers, employees, suppliers, and the broader community. This approach generates a ripple effect of benefits for our stakeholders, underpinned by our care for flavor, the environment and our global community.

## Our Capitals



Financial  
Capital



Human  
Capital



Manufactured  
Capital



Intellectual  
Capital



Social and  
Relationship  
Capital



Natural  
Capital



# Financial Capital

At Chatha Foods, our commitment to prudent capital allocation has propelled our growth. We prioritise maintaining a robust liquidity position, ensuring a healthy balance sheet and fostering steady free cash flow. Rigorous cost-efficiency measures and a dedicated focus on reducing debt have been instrumental in maintaining our course and delivering sustainable value to our stakeholders.

## OUR KEY FOCUS AREAS

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- ▶ Stable profit margin
- ▶ Sufficient working capital
- ▶ Cost optimisation
- ▶ Sound internal controls
- ▶ Safety of assets

## STAKEHOLDERS IMPACTED

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Investors and shareholders



Customers



Employees



# Our Journey

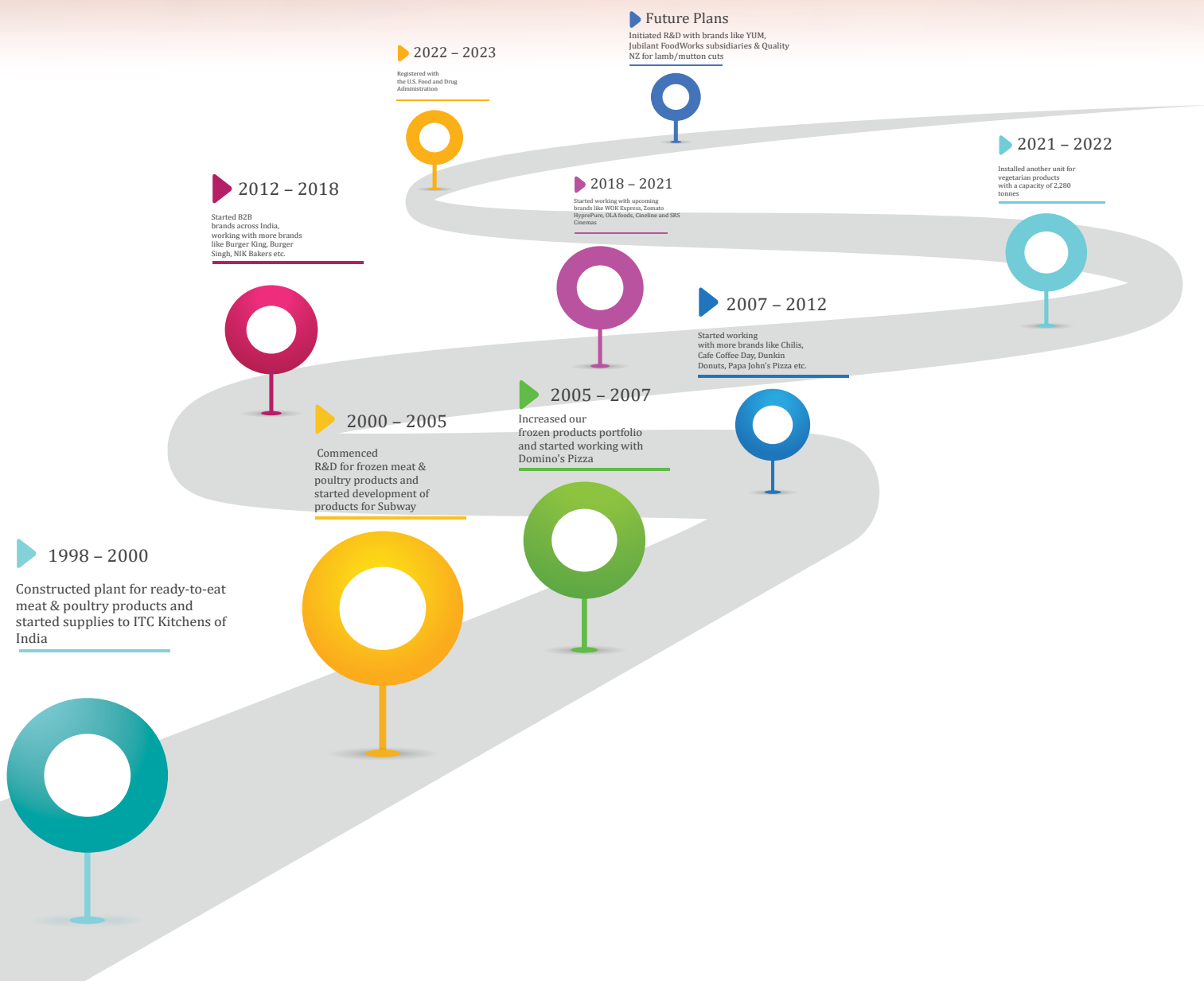
Vegetarian plant operational since 3rd June 2021

Launched the brand "The Field Grill Co" for mock meats and commenced R&D for vegetarian snacks under the brand name "Tempter"

With the strength in R&D, have been able to achieve business from more brands – Promeat, Plantmade, Plantaway, PFC Foods and other B2B category customers.

Obtained FDA registration for exports to the U.S.

Commencement of new product development with customers like ADF, YUM group  
By 2026, the commencement of R&D and commercialization for YUM group, McDonald's, Maple Leaf and Tata group





# Manufactured Capital

At Chatha Foods Limited, our state-of-the-art manufacturing facility provides us with an edge to produce high-quality food products while ensuring safety at every stage of production. Additionally, we maintain strict quality assurance from the point of procurement till the time of final consumption. Our approach to efficient supply chain management and sustainable production methods enables us to cater to diverse markets and drive growth.

## OUR KEY FOCUS AREAS

- ▶ Maintenance of manufacturing facility
- ▶ Lean manufacturing
- ▶ Quality assurance
- ▶ Eco-friendly practices in production
- ▶ Digital integration
- ▶ Efficient supply management

## STAKEHOLDERS IMPACTED



Investors and shareholders



Community



Employees



Supply partners



Customers



# Intellectual Capital

We believe innovation is crucial for long-term profitability and market relevance. This conviction drives us to continuously enhance our production capabilities. The product technologies integrated into our ecosystem have set us apart from the competition and bolstered our brand equity. We are committed to refining our operations through in-depth market research and adopting emerging trends. This strategy ensures that we remain at the forefront of product innovation, delivering offerings that meet evolving consumer needs.

## OUR KEY FOCUS AREAS

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- ▶ Market research and analysis
- ▶ Product innovation
- ▶ New product development
- ▶ Enhancing technical know-how
- ▶ Digitisation

## STAKEHOLDERS IMPACTED

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Investors and shareholders



Customers



Employees



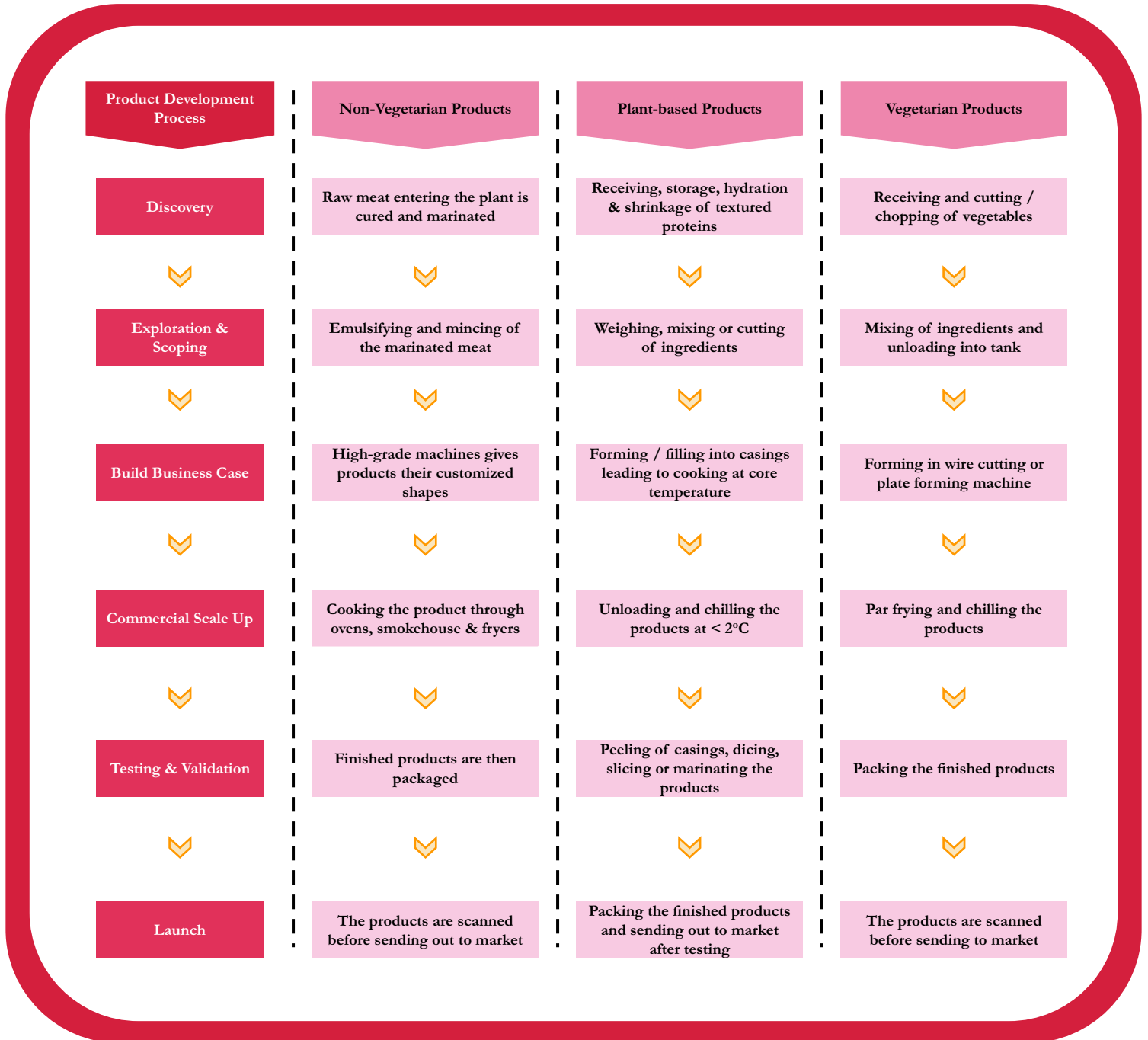
# TECHNOLOGY INTEGRATION

Integrating advanced technologies into daily operations significantly enhances our product quality. State-of-the-art processing techniques ensure food safety and nutritional integrity, while advanced technologies maintain freshness and taste.

- Utilise retort and pasteurising technology
- Implement freezing technology for frozen-formed products and rational baking technology
- Employ hot fill processes for pizza sauce
- Apply cold blending techniques to retain colour in finished goods
- Adopt sorting and best practices to ensure the highest quality raw materials
- Conduct dedicated sensory training for operations and maintain benchmark samples to ensure only the best-quality products are cleared for the market.



# Well Defined & Evolved Product Development & Production Processes are our Pride



# Our Plant & Machinery is State of the Art

Details	Non-vegetarian	Plant-based & Vegetarian
Installed Capacity (March 31, 2024)	5,562.5 MT	2,278.6 MT
Capacity Utilization (March 31, 2024)	65.8%	21.0%
Location	Mohali, Punjab, India	



**Curing and  
Marinating**



**Vacuum  
Tumblers**



**Chopping  
and Mincing**



**Cocking**



**Rotational  
Oven**



**Frying**



# Human Capital

We are committed to empowering our people to realise their full potential by ensuring equal opportunities, encouraging employee collaboration and cultivating a culture that promotes growth and overall well-being. Collaboration is at the heart of our mission to create a truly exceptional and innovative work culture at Chatha Foods.

## OUR KEY FOCUS AREAS

- ▶ Fair remuneration
- ▶ Training and development
- ▶ Succession planning and employee appreciation
- ▶ Diversity and inclusion
- ▶ Employee well-being

## STAKEHOLDERS IMPACTED



Employees



Community



# Some of Our Customer Relationships

## Quick Service Restaurants



## Casual Dining Restaurants & Cinemas



## Others





# We Possess Strong Vendor Relationships

	<b>Non -vegetarian &amp; Vegetarian Vendors</b>	
<b>Brands</b>	 	
<b>Relationship (In Years)</b>	 	3 - 20
<b>Country Base</b>	India	
	<b>Spices, Coatings &amp; Flavors Vendors</b>	
	       	
<b>Relationship (In Years)</b>	3 - 15	
<b>Country Base</b>	India, Europe, U.S.	
	<b>Other Vendors</b>	
	     	
<b>Relationship (In Years)</b>	14 - 20	
<b>Country Base</b>	India, Europe, U.S.	



# Social and Relationship Capital

We strongly uphold the importance of cultivating mutually beneficial relationships with stakeholders, which allows us to consistently prioritise common objectives that address the community's most critical needs. As a socially responsible organisation, we aim to enhance our approach to value creation by implementing focused initiatives that foster the comprehensive development of individuals and communities a like.

## OUR KEY FOCUS AREAS

- ▶ Community engagement
- ▶ Customer engagement
- ▶ Supplier engagement

## STAKEHOLDERS IMPACTED



Community



Supply partners



Customers

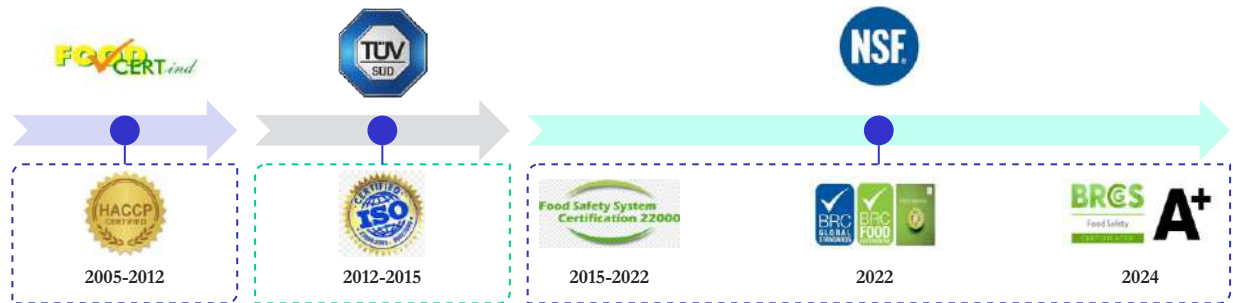


# Stakeholder Engagement

Group	Priorities	Engagement Mode
 <b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>🌱 Branded products</li> <li>🌱 Assured quality and product pricing</li> <li>🌱 Regular supply and timely delivery</li> <li>🌱 Seamless customer service</li> <li>🌱 Customer satisfaction and retention</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Online and in-store experiences, feedback surveys</li> <li>🌱 Site visits</li> <li>🌱 Exhibitions and events</li> <li>🌱 Customer feedback</li> </ul>
 <b>INVESTORS</b>	<ul style="list-style-type: none"> <li>🌱 Timely communication on strategy and performance</li> <li>🌱 Ethical business practices, compliance and good corporate governance</li> <li>🌱 Transparent reporting and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Investor &amp; analyst meets/calls, including one-on-one or group meetings</li> <li>🌱 Quarterly Investor &amp; Analyst call</li> <li>🌱 Annual General Meeting</li> <li>🌱 Investor presentations</li> <li>🌱 Integrated annual report</li> <li>🌱 Press releases</li> </ul>
 <b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>🌱 Training and development</li> <li>🌱 Health and safety matters</li> <li>🌱 Fair practices, work- life balance and timely remuneration</li> <li>🌱 Performance evaluation and recognition</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Town hall meetings</li> <li>🌱 Employee engagement initiatives</li> <li>🌱 Cultural events</li> <li>🌱 Training and development workshops</li> <li>🌱 Health initiatives</li> <li>🌱 Performance appraisals</li> <li>🌱 Grievance redressal mechanisms</li> </ul>
 <b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>🌱 Community welfare initiatives</li> <li>🌱 Environment conservation</li> <li>🌱 Healthcare for the underprivileged</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Focus on health, education, livelihood and poverty alleviation</li> <li>🌱 Skill development and training workshop</li> </ul>
 <b>GOVERNMENT/ REGULATORY BODIES</b>	<ul style="list-style-type: none"> <li>🌱 Compliance with laws and regulations</li> <li>🌱 Timely reporting through various compliance-based forms</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Meetings, presentation, reports and networking in different forums organised by regulatory authorities</li> <li>🌱 Mandatory regulatory filings</li> <li>🌱 Periodical submission of business performance</li> <li>🌱 Written communications</li> </ul>
 <b>VENDORS/ SUPPLIERS</b>	<ul style="list-style-type: none"> <li>🌱 Fair and ethical procurement &amp; engagement practices</li> <li>🌱 Knowledge programmes to reduce suppliers' risks</li> <li>🌱 Pricing and favourable terms of payment</li> <li>🌱 Timely clearance</li> <li>🌱 Addressing supplier grievances</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Phone, email or in-person engagement</li> <li>🌱 Suppliers' meetings, regular meetings, seminars, and workshops</li> </ul>

# Awards and Accreditations

## Food Safety & Quality Certifications are the Bedrock of Our Organization



**Customer Audits**

Multiple customers through various agencies evaluate our facilities once a year



**Regulatory & FSMS Audits**

FSSAI & FSMS BRCGS audit our facilities once a year through different agencies



## We have Consistently Received Awards and Accreditations

- |   |  |   |   |
|---|--|---|---|
| <p>2011</p> <p>Business Partnership Award<br/>Dominos Pizza</p>   | <p>2012</p> <p>Business Partnership Award<br/>Dominos Pizza &amp;<br/>Dunkin' Donuts</p> | <p>2013</p> <p>Business Partnership Award<br/>Dominos Pizza, Jubilant<br/>FoodWorks &amp; Dunkin' Donuts</p>          | <p>2014</p> <p>Second Prize - Best Stall<br/>Display<br/>Food Expo in 11<sup>th</sup> Agro Tech</p>                             |
| <p>2015</p> <p>Business Partnership Award<br/>Dominos Pizza, Jubilant<br/>FoodWorks &amp; Dunkin' Donuts</p>          | <p>2016</p> <p>Supplier of the Year Award<br/>Subway</p>                                 | <p>2018</p> <p>'Long Term Association' Award<br/>Business Partner's Conference</p>                                    | <p>2019</p> <p>Award from Jubilant FoodWorks &amp;<br/>Hong's Kitchen for contribution<br/>towards launch of Hong's Kitchen</p> |
| <p>2021</p> <p>Certificate of Appreciation from the<br/>Ministry of Finance for prompt GST<br/>filing and payment</p> |  | <p>2022</p> <p>Certificate of Appreciation from the<br/>Ministry of Finance for prompt GST<br/>filing and payment</p> |   |

## NOTICE

NOTICE is hereby given that the twenty seventh (27<sup>th</sup>) Annual General Meeting (AGM) of Chatha Foods Limited (the “Company”) will be held on Tuesday 24<sup>th</sup> September, 2024 at 11:00 a.m. through video conference (VC) and other audio visual means (OAVM), to transact the following businesses:-

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31<sup>st</sup>, 2024 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Paramjit Singh Chatha (DIN: 01154225), who retires by rotation and being eligible, offers himself for re-appointment.

### **Special Business:**

#### **3. To adopt the object clause of MOA as per Companies Act, 2013**

To consider and pass with or without modification(s), the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and rules, made there under the consent of the members of the company be and is hereby accorded for alteration of object clause i.e Clause III, of the Memorandum of Association of the company as follows:

To Replace the existing heading of Clause III (A ) as under:

“III (A) The objects to be pursued by the company on its incorporation are:—”

To Replace the existing Clause III(B) with the following clause:

“**III (B) Matters which are necessary for furtherance of the objects specified in clause III(A) are:**

- (1) To receive contract amount in foreign currencies & repatriate the amount outside India.
- (2) To do all or any of the acts or things as mentioned in the main objects either as principals, contractors or otherwise and either alone or in conjunction with others.
- (3) To remunerate any firm, person or body corporate rendering services to the Company, including without limitation, in relation to the promotion or formation of the Company, either by cash payment or by allotment to him or them of shares and securities of the Company as paid -up in full or in part or otherwise
- (4) To pay all costs, charges and expenses incurred or sustained in or about the formation, registration, promotion, incorporation, establishment and advertisement of the Company or which the Company shall consider to be preliminary including contracts entered into by the Company.
- (5) To enter into contracts or arrangements or other dealings for more efficient conduct of the business of the Company or any part thereof and also to enter into any arrangement with any Government or Authorities or any persons or companies that may seem conducive to the main objects of the Company.
- (6) To buy, sell, repair, alter, improve, exchange, let on hire, import, export and deal in all works, plant, machinery, tools, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which the Company is competent to carry on, or which may be required by any customer or person having dealings with the Company or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render marketable and otherwise deal in all products and services incidental to any of the businesses carried on by the Company.
- (7) To lease, sub-lease, hire, purchase, license or otherwise acquire and/or sell, dispose of, construct, alter, modify, develop or otherwise deal in any properties, shades, offices, guest houses, employee accommodation, godowns, or other structures for housing and carrying on the businesses of the Company or for its employees, clients or other persons or for any other persons or for any other purpose as the Board of Directors may think expedient for the benefit of the Company.
- (8) To enter into, undertake and execute contracts or other arrangements with any parties for any transactions, including the provision and supply or use of materials, machinery, equipment, articles or other products and/or services necessary for or otherwise required for or incidental to carrying out the objectives of the Company.

- (9) To recruit, train and develop staff, organize seminars, training programs and conferences for employees, customers and the general public.
- (10) To recruit, train and develop a pool of technical, managerial and administrative personnel including staff, employees, agents, for the Company or any subsidiary, affiliate or group companies or any other company, firm or other person, particularly where such companies, firms or persons are engaged in any business related to the business of the Company.
- (11) To employ, engage, appoint, retain or otherwise procure, suspend or terminate the services of professionals, consultants, engineers, design consultants, technicians, legal and financial advisors, or other experts and to imbibe innovation and modern management techniques in the functioning and businesses of the Company.
- (12) To retrench, lay-off, suspend, terminate the appointment of or dismiss executives, managers, assistants, support staff and other employees and to remunerate them at such rates as may be thought fit.
- (13) To adopt such means of making known the articles, goods, products, appliances Manufactured or dealt in or processes and services provided by, or at the disposal of the Company, as well as properties, assets and effects of the Company as may seem expedient, in particular by advertising in the press and through billboards, hoardings, motion pictures, by broadcasting, telecasting or by publication of books, periodicals and any other material convenient to the Company, by participating in trade fairs, exhibitions and by granting prizes, rewards and donations.
- (14) To acquire, and possess the whole or part of the business assets, property, goodwill, rights and liabilities of any persons, society, association or company carrying on any business.
- (15) To appoint dealers, sub-dealers, agents, sub-agents, distributors, sole selling agents, sole concessionaries, either in India or any place in India, for the efficient conduct of the business of the Company, and remunerate them for their services.
- (16) To take and/or provide discounts or to approve other terms of payment or credit in relation to any sums owing to or due from the Company and to impose or agree to pay any interest thereon or to write off any such sums or parts thereof.
- (17) To pay for any property or rights acquired, either in cash, against debentures, or in fully or partly paid shares, or by the issue of securities, or by providing services and generally in such terms as may be determined and agreed upon.
- (18) To carry on research and development activities on all aspects related to the business and objects of the Company.
- (19) To undertake all types of technical, economic, and financial investigations and aid or assist or enter into partnership with any institution, university, company, partnership, firm or person or persons conducting such research or study and to subsidize, endow and assist workshops, libraries, meetings, lectures, and conferences and do such other acts to generally encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered to assist any of the businesses of the Company.
- (20) To identify projects, project ideas, to prepare profiles, project reports, and undertake market research, feasibility studies, pre-investment studies and investigation of industries on a micro and/or macro level and to render appropriate services, to identify scope and potential for economic and industrial development in any particular geographical area or location whether in India or abroad.
- (21) To acquire from any person, firm or body corporate, whether in India or elsewhere, technical information, know-how, processes, engineering, manufacturing and operating data, plans, lay-outs and blue-prints useful for the design, manufacture, erection and operation of plant and machinery, required for any of the businesses of the Company and to pay remuneration thereof in any currency by way of lump-sum or installments or fees or royalties.
- (22) To develop and/or furnish to any person, firm or body corporate whether in India or elsewhere, technical information, know-how, processes, engineering, manufacturing and operating data, plans, lay-outs and blue-prints useful for the design, manufacture, erection and operation of plant and machinery, required for any of the businesses of the Company and to obtain remuneration thereof in any currency by way of lump-sum or installments or fees or royalties or through any other arrangement.
- (23) To apply for, purchase, or otherwise acquire, protect or prolong any patent, design, concessions, trademarks, copyrights, conferring an exclusive or non-exclusive or limited right of use, or any secret or other information and/or systems, processes of the Company or which the Company may develop or acquire or propose to develop or acquire.

- (24) To apply for, purchase or otherwise acquire brand names/service marks for the products manufactured and the services rendered by the Company, from any company, firm, or other person anywhere in the world, particularly international brand names/ service marks of the Company's holding or group companies.
- (25) To expend money for improving or seeking to improve any patents, rights, inventions, discoveries, or information and/or systems, processes of the Company or which the Company may develop or may acquire or propose to develop or acquire.
- (26) To use, exercise, develop, sell, assign, grant licenses or otherwise turn to account the property, rights and information so acquired.
- (27) To establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension, superannuation, provident, welfare and education funds and trusts for the benefit of any person who is or was at any time in the employment or service of the Company or any subsidiary or affiliate of the Company, or who is or was at any time a director of the Company or of any such other company as aforesaid and the spouse, family and dependents of any such person.
- (28) To provide for the welfare of employees or ex-employees of the Company and their spouses or the dependents of such persons by grant of money, pensions, allowances, bonus or other payments or by contributing to other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other assistance as the Company may think fit.
- (29) To purchase, hire or use all kinds of vehicles including cars, heavy transport vehicles, and aircraft, for the purpose of transportation of equipment, materials, employees and managerial personnel or for any other purpose.
- (30) To acquire and hold one or more memberships or membership privileges in stock/security exchanges, commodity exchanges, clearing houses in any other trade or service associations which memberships, or membership privileges are likely in any manner to facilitate the conduct of the Company's business.
- (31) To purchase, take on lease, exchange, mortgage, charge, hypothecate, encumber, hire or otherwise acquire or dispose of any moveable or immovable property including lands, buildings, and flats of any description in India or elsewhere.
- (32) To purchase, take on lease, exchange, mortgage, charge, hypothecate, encumber, or otherwise acquire or dispose of any other rights and privileges which the Company may think fit, and in particular of shares, debentures, or securities of any other company and to give any warranties in connection therewith as the Company shall think fit.
- (33) To deal in, sell, mortgage, let out or otherwise dispose of the businesses, undertaking or all or any of the property and assets for the time being of the Company, or any part thereof, for such consideration and on such terms, as the Company thinks fit, particularly for shares, debentures, or securities of any other company and to give any warranties in connection therewith as the Company shall think fit.
- (34) To promote, invest or assist any companies for the purpose of acquiring all or any of the property, rights and liabilities of such companies, which may seem beneficial to the Company.
- (35) To enter into joint venture, partnership, or any other arrangement for joint working in business, sharing profits or for co-operation or for mutual assistance or form, promote, subsidize and assist companies and partnerships of all kinds with any person, firm or company or to acquire or carry on any other business (whether manufacturing or otherwise) auxiliary to the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property or to amalgamate with any person, firm or company carrying on or about to carry on any business or transaction included in the objects of the Company or any other similar business, in India or abroad.
- (36) To open accounts with any bank or financial institution and to draw make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, bills of lading, warrants, debentures and such other negotiable or transferable instruments of all types and to buy the same.
- (37) Subject to the provisions of the Companies Act, 2013 including the rules and regulations made therein and the directions issued by Reserve Bank of India to borrow, raise or secure the payment of money or to receive money as loan, at interest for any of the objects of the company and at such time or times as may be expedient, by promissory notes, bills of exchange, hundies, bills of lading, warrants or such other negotiable instruments of all types or by taking credit in or opening current accounts or over-draft accounts with any person, firm, bank or

company and whether with or without any security or by such other means, as may deem expedient and in particular by the issue of debentures or debenture stock, perpetual or otherwise and in security for any such money so borrowed, raised or received and of any such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property and assets of the Company both present and future, including its uncalled capital, by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off such securities provided that the Company shall not carry on the business of banking within the meaning of the Banking Regulation Act, 1949.

- (38) To advance money not immediately required by the Company or give credit to such persons, firms or companies and on such terms with or without security as may seem expedient and in particular to customers of and such others having dealings with the Company and to give guarantees or securities of any such persons, firms, companies as may appear proper or reasonable provided that the Company shall not carry on the business of banking, within the meaning of Banking Regulation Act, 1949.”

“**RESOLVED FURTHER THAT** Clause III (C) of the Memorandum of Association of the Company be and is hereby deleted.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such other acts and deeds as it may deem fit and appropriate as may be necessary to settle any question, difficulty or doubt that may arise in regard to the said resolution.”

**4. To approve amendment in Liability Clause of The Memorandum of Association of The Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 consent of members of company be and is hereby accorded to alter the liability clause of the Memorandum of Association of the Company by substituting the existing Clause IV with the following:

- “IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such other acts and deeds as it may deem fit and appropriate and as may be necessary to settle any question, difficulty or doubt that may arise in regard to the said resolution.”

**5. To approve borrowing limits of the Company under section 180 (1)(c) of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members at their Extraordinary General Meeting held on September 11, 2023 and in accordance with Section 180 (1)(c) of the Companies Act, 2013 and other applicable provisions, the consent of the Members be and is hereby accorded for borrowing, from time to time, from various Banks and/ or Financial Institutions and/ or any other lending institutions and/ or Bodies Corporate and/ or such other persons/ individuals as may be considered fit, any sum or sum of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company, its free reserves, and securities premium account provided that the total outstanding amount so borrowed by the “Board” shall not at any time exceed the limit of Rs. 60 Crores (Rupees Sixty Crores) or the aggregate of the paid up capital, free reserves, and securities premium account of the Company, whichever is higher.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board or any committee or person(s) authorised by the Board be and is hereby authorized to take such steps and to do all such acts, deeds and things as may be necessary in this regard for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the Company, including digitally signing and filing the necessary forms and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**6. To approve creation of charge on movable and immovable properties of the Company both present and future, in respect of borrowing under section 180(1)(a) of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:



**“RESOLVED THAT** in supersession of the earlier resolution passed by the Members at their Extraordinary General Meeting held on September 11, 2023 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “the Board” which term shall be deemed to include any Committee of the Board, constituted/ to be constituted / reconstituted to exercise its powers including the powers conferred by this resolution) to create charge by way of mortgage(s) and/or hypothecation and/or lien or otherwise on any of movable and / or immovable properties / assets of the Company including receivables in the form of book debts, wherever situated both present and future and / or on whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) wherever situated, on such terms and conditions at such time(s) and in such form and manner, and with such ranking in terms of priority, as the Board in its absolute discretion thinks fit, to or in favour of any bank(s) or Financial or other Institution(s), Mutual Fund(s), Non- Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or Security Trustee(s) or body(ies) corporate or person(s), whether Securities holders of the Company or not, to secure the borrowing facility together with interest, cost, charges and expenses thereon for amount not exceeding Rs 60 crore - (Rupees Sixty Crore only) at any point of time (including the money(ies) already borrowed by the Company).

**RESOLVED FURTHER THAT** the securities to be created by the Company as aforesaid may rank exclusive/prior/pari-passu/subsequent with/to the hypothecation/mortgages/lien and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

**By Order of the Board of Directors**

Place: Mohali  
Date: 31.08.2024

**Sd/-  
Priyanka Oberoi  
Company Secretary & Compliance Officer**

#### **NOTES**

1. Ministry of Corporate Affairs (“MCA”) vide its General Circulars Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, (‘MCA Circulars’) has permitted the holding of the annual general meeting through Video Conferencing (“VC”) or through Other Audio-Visual Means (“OAVM”), without the physical presence of the Members at a common venue.
2. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended (‘Act’) setting out material facts concerning the business with respect to Item No. 3 to 6 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’) and Secretarial Standard - 2 on General Meetings, issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking re-appointment at this Annual General Meeting (‘Meeting’ or ‘AGM’) is furnished as Annexure to this Notice.

In compliance with the provisions of the Act, SEBI Listing Regulations and Secretarial Standards on General Meeting and MCA Circulars, the 27<sup>th</sup> Annual General Meeting of the Company is being held through VC/ OAVM on Tuesday September 24, 2024, at 11:00 a.m. (IST). The proceedings of the AGM are deemed to be conducted at the Registered Office of the Company situated at 272, Mota Singh Nagar, Jalandhar-144001, Punjab, India.

3. **SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

4. Corporates/Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members/ Institutional Investors (i.e. other than individuals, HUFs, NRIs etc.) who are intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM and to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [jaspreeetdhawan1@gmail.com](mailto:jaspreeetdhawan1@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Corporate Members/ Institutional Investors (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on the "Upload Board Resolution/Authority Letter" displayed under the "e-voting" tab in their login.
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. In case of joint holders attending the AGM, only such joint holder who is higher in the order of the names as per the Register of Members of the Company, as of the cut-off date, will be entitled to vote at the Meeting.
7. In accordance with the aforesaid MCA Circulars and the Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/ PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/ HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. The Company shall send the physical copy of Integrated Annual Report FY 2023-24 to those Members who request the same at [cs@cfpl.net.in](mailto:cs@cfpl.net.in) mentioning their Folio No./DP ID and Client ID. The Notice convening the 27<sup>th</sup> AGM along with the Integrated Annual Report FY 2023-24 will also be available on the website of the Company at [www.cfpl.net.in](http://www.cfpl.net.in) and at the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 05, 2020, the matter of Special Business appearing at Item No. 3 to 6 of the accompanying Notice, considered to be unavoidable by the Board and hence, forming part of this Notice.
9. During the AGM, Members may access the scanned copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, and all other documents referred to in the Notice upon Log-in to CDSL e-voting system at [www.evotingindia.com](http://www.evotingindia.com). Members desirous of such inspection are requested to write in advance to the Company Secretary at [cs@cfpl.net.in](mailto:cs@cfpl.net.in) for inspection at the AGM.
10. The Company's Registrar and Transfer Agent for its Share Registry Work is Skyline Financial Services Pvt. Ltd, having their office at D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi, Delhi, 110020.
11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include 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. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 (Ten) days before the date of the Meeting from their registered e-mail address, mentioning their name, DPID and Client ID number/folio number and mobile number at the Company's investor desk at [cs@cfpl.net.in](mailto:cs@cfpl.net.in) so that the information required may be made available at the Meeting.

13. Members are requested to notify immediately changes, if any, in their registered address to the Company or its Registrars & Share Transfer Agents, M/s. Skyline Financial Services Pvt. Ltd, specifying full address in Block Capitals with PIN Code of the Post Office.
14. Pursuant to the provisions of Sections 107 and 108, read with the Companies (Management and Administration) Rules, 2014 read with notification GSR 207(E) dated 19th March 2015, and as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated 8th April, 2020, General Circular No.17/2020 dated 13th April, 2020, General Circular No 20/2020 dated 5th May, 2020, General Circular No 2/2022 dated 5th May, 2022 and General Circular No 10/2022 dated 28th December, 2022 the Company is pleased to offer the option of remote and AGM E-Voting facility to all the Members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL). The Members can vote electronically either in advance during the e-voting period (“remote evoting”) or on the day of AGM. The Company has appointed Mr. Jaspreet Dhawan & Associates, Practicing Company Secretary, (FCS No. 9372; CP No. 8545) as Scrutinizer.

#### THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **21<sup>ST</sup> September, 2024 at 9:00 a.m. (IST)** and ends on **23<sup>rd</sup> September, 2024 at 5:00 p.m. (IST)**. During this period shareholders’ of the Company, holding shares in dematerialized form, as on the cut-off date (record date) of **17<sup>th</sup> September, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of 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.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (i) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 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 email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</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 users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest 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 company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, 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 CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</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. 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 Depository</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.nsdl.com">https://eservices.nsdl.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.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.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.nsdl.com/">https://www.evoting.nsdl.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 hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site 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.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</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 site 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.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(ii) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) 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.</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 Company/RTA or contact Company/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>

- (iii) After entering these details appropriately, click on "**SUBMIT**" tab.
- (iv) 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.
- (v) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the EVSN for the "Chatha Foods Limited" on which you choose to vote.

- (vii) 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.
- viii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (ix) 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.
- (x) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xii) 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.
- xiii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xiv) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “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 & can be delink 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 mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@cfpl.net.in](mailto:cs@cfpl.net.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/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 **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding 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, 25th 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

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

#### **ITEM NO 3:**

In order to comply with the provisions of Section 4(1)(C) of the Companies Act, 2013 it is proposed as follows:

- (i) To replace the existing heading of Clause III (A) of Memorandum of Association of the company.
- (ii) To Replace the existing Clause III (B) for the purpose of adopting matters which are necessary for furtherance of the objects specified in clause III(A).

(iii) To delete the existing Clause III (C) i.e Other Objects Clause

As per the provisions of Section 13 of the Companies Act, 2013 alteration of the Object Clause requires the consent of members of the company by means of a special resolution. Hence your Board recommends the passing of the proposed resolution as a special resolution for alteration in the Object Clause of the Memorandum of Association of the company.

The Members are therefore requested to approve, by passing special resolutions, alteration of the Object Clause of the Memorandum of Association as proposed in accompanying resolution.

Copy of the MOA of the Company together with the proposed alteration is available to the Members for inspection without any fee from the date of circulation of this Notice up to the date of Extraordinary General Meeting. Members seeking to inspect such documents can send an email at [cs@cfpl.net.in](mailto:cs@cfpl.net.in). The Board recommends the Special Resolution set out at Item No.3 of the Notice for the approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, concerned or interested financially or otherwise in the said resolution as per item no. 3 of the Notice.

#### **ITEM NO 4:**

In order to comply with the provisions of Section 4(1)(d)(i) of the Companies Act, 2013 the Company needs to alter the Liability Clause of the Memorandum of Association.

The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013.

The Members are therefore requested to approve, by passing special resolutions, alteration in Liability Clause of the Memorandum of Association as proposed in accompanying resolutions.

Copy of the MOA of the Company together with the proposed alteration is available to the Members for inspection without any fee from the date of circulation of this Notice up to the date of Extraordinary General Meeting. Members seeking to inspect such documents can send an email at [cs@cfpl.net.in](mailto:cs@cfpl.net.in). The Board recommends the Special Resolution set out at Item No.4 of the Notice for the approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, concerned or interested financially or otherwise in the said resolution as per item no. 4 of the Notice.

#### **ITEM NO 5:**

The Company requires to borrow funds from time to time to meet both its short term and long terms business objectives, from various external agencies like banks, financial institutions, bodies corporate, individuals or other kind of lenders.

According to section 180 (1) (c) of the Companies Act, 2013, the total amount of such borrowings as well as the outstanding at any time cannot exceed the aggregate of paid up capital and free reserves of the Company, except with the consent of the members. The Company felt that the said limit is not adequate and needs enhancement, accordingly the resolution has been proposed to increase the limits of borrowing to Rs. Rs. 60 Crores (Rupees Sixty Crores).

It is recommended that the resolution be passed as special resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives are, concerned or interested financially or otherwise in the said resolution as per item no. 5 of the Notice.

#### **ITEM NO 6:**

Members of the Company note the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Rules, if any, made there under ("the Act") provide that the Board of Directors of the Company shall not, except with the consent of Members by Special Resolution, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

The Board of Directors of the Company has proposed to seek consent of the Members by way of Special Resolution set out in Item No. 6 of the accompanying Notice for increasing the borrowing limits of the Company to Rs. 60 Crore (Rupees Sixty Crore only).

The proposed borrowings of the Company may, if necessary, be secured by way of charge / mortgage / hypothecation / security on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities as mentioned in the Resolution at Item No. 6. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to enable the Board of Directors of the Company to create charge / mortgage / hypothecation / security on all or any of the movable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company together with the power to take over the substantial assets of the Company in certain events in favour of the Lender(s), Agent(s) and Trustee(s) and other bodies / persons, to secure the borrowings of the Company, availed / to be availed by way of loan(s) and / or Securities (comprising fully / partly Convertible Debentures / Non-Convertible Debentures / secured premium notes / floating rates / notes / bonds or other debt instruments), issued / to be issued by the Company, from time to time, within the overall limits of the borrowing powers of the Board of Directors as determined from time to time by the members of the Company, pursuant to Section 180(1)(c) of the Companies Act, 2013.

The Board accordingly recommends the Special Resolution set out at Item No.6 of the Notice for the approval of the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, set out at Item No. 6 of the Notice.



**ANNEXURE TO THE NOTICE****DETAILS OF DIRECTOR SEEKING SHAREHOLDERS APPROVAL FOR APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH CLAUSE 1.2.5 OF SECRETARIAL STANDARD SS- 2 ON GENERAL MEETINGS**

<b>Name</b>	<b>Mr. Paramjit Singh Chatha</b>
Directors Identification Number (DIN)	01154225
Date of Birth	5 <sup>th</sup> August, 1968
Age	56 Years
Original Date of Appointment	08 <sup>th</sup> October, 1997
Education Qualification	Higher Secondary
Experience (in years)	25+ years
Experience in special functional area	25+ years of experience in frozen and ready-to-eat processed food industry <ul style="list-style-type: none"> <li>• Actively involved in planning and formulating overall business and commercial strategy since inception</li> <li>• Plays a key role in establishment and maintaining strong customer relations</li> </ul>
Terms and conditions of appointment/ re-appointment	As per the Appointment Letter
List of Directorship held in other Companies	Chatha Financiers Pvt Ltd Chatha Financial Services Pvt Ltd
Relationship with other Directors, Managers and KMPs	No relationship with other Directors, Managers and KMPs
No. of Board Meetings attended during Financial Year 2023-2024	Twenty
Chairmanships/ Memberships of the Committee of the Board of Directors of the Company	NA
Chairmanships/Memberships of the Committee of the Board of Directors of other Public Limited Companies including Listed Companies	NIL
Listed Entities from which the director has resigned in the past 3 years.	NIL
No. of shares held in the Company	42,44,695 Shares

**For and on Behalf of Board of Directors  
CHATHA FOODS LIMITED**

**Sd/-  
PARAMJIT SINGH CHATHA  
Managing Director  
DIN: 01154225**

**BOARD REPORT**
**To the Members,**

The Board of Directors are pleased to present the **27<sup>TH</sup> Annual Report** of **CHATHA FOODS LIMITED**, CIN: L15310PB1997PLC020578, formerly known as **Chatha Foods Private Limited** ("the Company"), together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2024.

**1. FINANCIAL SUMMARY:**

(₹ in Lakhs)

Particulars	For the period ended on 31 <sup>st</sup> March 2024	For the period ended on 31 <sup>st</sup> March 2023
Revenue from Operations	13379.93	11,722.77
Other Income	3.27	1.46
<b>Total Income</b>	<b>13,383.20</b>	<b>11,724.23</b>
Total Expenses	12,527.33	11,387.23
<b>Profit before exceptional and extraordinary items</b>	<b>855.87</b>	<b>337.00</b>
Exceptional items	-	-
Extraordinary items	-	-
Profit before tax	<b>855.87</b>	<b>337.00</b>
Current Tax	230.69	55.91
Deferred tax	8.50	91.82
Minimum Alternate Tax (MAT) credit entitlement	-	(55.91)
<b>Profit for the year</b>	<b>616.68</b>	<b>245.20</b>

**2. STATE OF COMPANY'S AFFAIRS AND REVIEW OF OPERATIONS:**

During the year under review, the Company has earned a total revenue of Rs. 13379.93 Lakhs for the year ended March 31, 2024 as against Rs. 11,722.77 Lakhs in the previous financial year.

The Company has recorded a profit (PBT) of Rs. 855.87 Lakhs for the year ended March 31, 2024 as compared to Rs. 337 Lakhs in the previous financial year.

The Profit/ (Loss) after Tax (PAT) for the year ended March 31, 2024 stood at Rs. 616.68 Lakhs as compared to Rs. 245.20 Lakhs in the previous financial year.

**3. Alteration to Memorandum and Articles of Association:**

During year under review, Company has altered its MOA and AOA in following events:

- Conversion of Private Limited into Public Limited:**

The Company was converted from a Private Limited to a Public Limited Company on September 8, 2023, following the issuance of a fresh Certificate of Incorporation by the Registrar of Companies, Punjab & Chandigarh. Consequently, the Company's name has been changed to "**CHATHA FOODS LIMITED**" (formerly known as Chatha Foods Private Limited). This conversion necessitates corresponding amendments to the Memorandum and Articles of Association to reflect the Company's new status and ensure compliance with the regulatory requirements for public companies.

- Alteration of Memorandum of Association of the Company pursuant to increase in**

**Authorized Share Capital:**

During the period under review, the Company increased its Authorized Share Capital from Rs. 13,00,00,000/- (Rupees Thirteen Crore Only) to Rs. 25,00,00,000/- (Rupees Twenty-Five Crore only). This Change was approved by a resolution passed at the Extra-ordinary general meeting held on September 13, 2023. As a result, the Company has altered the Clause V, pertaining to Share Capital, in the Memorandum of Association to reflect the increase in Authorized Share Capital.

#### 4. **Change in the nature of business, if any:**

Throughout the financial year under review, the Company continued its primary operations of manufacturing and supplying processed meat across India. During this period, the Company raised funds through an Initial Public Offering (IPO) to finance the establishment of a new plant focused on Vegetarian Frozen Ready-to-Eat (RTE) and Ready-to-Cook (RTC) products. These advancements represent a significant shift in the nature of the Company's business during the year.

#### 5. **Dividend:**

In order to conserve the resources for long run working capital requirement and expansion of business, your Board of Directors has not recommended any Dividend for the financial year ended March 31, 2024.

#### 6. **General Reserves:**

The Company has not transferred any amount to General Reserve during the year.

#### 7. **Share Capital:**

- **Authorised Share Capital:**

During the year under review, your Company has increased its authorized share capital from Rs. 13,00,00,000/- (Rupees Thirteen Crore Only) divided into 1,30,00,000 (One Crore Thirty lacs only) equity shares of the face value of Rs 10 (Ten Rupees) each to Rs. 25,00,00,000/- (Rupees Twenty Five Crore only) divided into 2,50,00,000 (Two Crore Fifty lacs only) equity shares of the face value of Rs 10 (Ten Rupees) each vide members resolution passed in the Extra-ordinary general meeting held on September 13, 2023.

- **Issued and Paid-Up Share Capital:**

During the year under review your Company has made following allotments:

- 1) The company has issued **41,33,720 (Forty One Lacs Thirty Three Thousand Seven Hundred Twenty) Bonus shares** of face value of Rs. 10/- (Rupees) each to the existing Shareholders of the Company in the ratio of 1:3 on October 6, 2023.
- 2) Your Company has issued and allotted 59,62,000 ( Fifty Nine Lakh Sixty Two Thousand only) equity shares of face value of Rs.10 each at an issue price of Rs.56 (Rupees Fifty Six only) per share including the premium of Rs.46 (Rupees Forty six only) pursuant to the **Initial Public Offering ("IPO")** of the Company.

Consequent to the above allotments, the **issued, subscribed and paid-up share capital** of your Company as on March 31, 2024 is Rs. 22,49,68,790/- (Rupees Twenty Two Crore Forty Nine Lacs Sixty Eight Thousand Seven Hundred and Ninety Only) divided into 2,24,96,879 (Two Crore Twenty Four Lacs Ninety Six Thousand Eight Hundred Seventy Nine) shares of the face value of Rs 10 (Ten Rupees) each.

#### 8. **Directors and Key Managerial Personnel:**

##### a) **Composition of Board:**

The Board of Directors of the Company, at present comprises of 6 Directors, who have wide and varied experience in different disciplines and fields of corporate functioning. The board of directors of the company comprises of 6 (Six) Directors, consisting of 2 (Two) Whole-Time Directors, 1 (One) Managing Director, 3 (Three) Independent Directors including 1(One) Independent Women Director. The constitution of the Board of the Company is in accordance with the provisions of the Companies Act, 2013.

The Board of Directors of your Company comprised of the following Directors, as on March 31st, 2024:

Name of the Director	Designation
MR.PARAMJIT SINGH CHATHA	Chairman & Managing Director
MR. GURPREET CHATHA	Whole-time director
MR. GURCHARAN SINGH GOSAL	Whole-time director
MR. SANJIV SWARUP	Non-Executive Independent Director
MR. PURNACHAND UPADRASHTA	Non-Executive Independent Director
MS. CHINMAYEE SWARUP DEULGAONKAR	Non-Executive Independent Director

**b) Appointment and Re-appointment:**

The following changes have taken place in the Board of your Company during the Financial Year 2023-24:

SR. NO.	NAME OF DIRECTOR AND KMP	PARTICULARS OF CHANGE
01	MR. PARAMJIT SINGH CHATHA	Mr. Paramjit Singh Chatha has been re-appointed as a Managing Director of the Company, to hold office for a term of 5 (Five) years commencing from September 11, 2023 upto September 10, 2028. Furthermore, he was appointed as a Chairman w.e.f 22.01.2024.
02	MR. GURPREET CHATHA	Mr. Gurpreet Chatha has been redesignated as the Whole-Time Director of the company. His term of office will be for a period of five (5) years, starting from September 11, 2023, and ending on September 10, 2028.
03	MR. GURCHARAN SINGH GOSAL	Mr. Gurcharan Singh Gosal has been redesignated as the Whole-Time Director of the company. His term of office will be for a period of five (5) years, starting from September 11, 2023, and ending on September 10, 2028.
04	MR. IQBAL SINGH CHATHA	Mr. Iqbal Singh Chatha has been redesignated as Chairman and Non-Executive Director. Additionally, he resigned from his directorship, effective from January 17, 2024.
05	MR. SANJIV SWARUP	Mr. Sanjiv Swarup has been appointed as the non-executive Independent Director of the company. His term of directorship with the company is from January 22, 2024, to January 21, 2029.
06	MR. PURNACHAND UPADRASHTA	Mr. Purnachand Upadrashta has been appointed as the non-executive Independent Director of the company. His term of office will be for a period of five (5) years, starting from September 11, 2023, and ending on September 10, 2028.
07	MR. CHINMAYEE SWARUP DEULGAONKAR	Ms. Chinmayee Deulgaonkar has been appointed as the non-executive Independent Director of the company. Her term of office will be for a period of five (5) years, starting from September 11, 2023, and ending on September 10, 2028.

**c) Director retiring by rotation:**

Pursuant to the provisions of Section 152(6) of the Act, Mr. Paramjit Singh Chatha (DIN: 01154225), Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offered himself for re-appointment.

Such retirement and re- appointment of the Managing director does not affect his appointment as a Managing director of the Company and he shall continue to hold their office as a Managing director from the date of original appointment.

The Board considered the said re-appointment in the interest of the Company and hence recommends the same to the Members for approval.

**d) Cessation:**

During the financial year under review, Mr. Iqbal Singh Chatha (DIN: 01472105), Chairman and Non- Executive Director has resigned from his directorship w.e.f 17.01.2024.

**e) Key Managerial Personnel (KMP):**

During the year under review the following changes have taken place in the composition of the **Key Managerial Personnel**:

Name of KMP	DESIGNATION	EFFECTIVE DATE	APPOINTMENT/CESSATION
Mr. Navit Kumar	Company Secretary	31/07/2023	Resignation
Ms. Nidhi	Company Secretary	01/08/2023	Appointment
Ms. Nidhi	Company Secretary	15/09/2023	Resignation
Ms. Priyanka Oberoi	Company Secretary	15/09/2023	Appointment
Mr. Vishal Singh Sirmauria	Chief Financial Officer	15/09/2023	Appointment
Mr. Paramjit Singh Chatha	Managing Director	11/09/2024	Re-designated
Mr. Gurpreet Chatha	Whole Time Director	11/09/2024	Re-designated
Mr. Gurcharan Singh Gosal	Whole Time Director	11/09/2024	Re-designated

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on the date of this report are:

Name of the Key Managerial Personnel	Designation
Mr. Paramjit Singh Chatha	Managing Director
Mr. Gurpreet Chatha	Whole Time Director
Mr. Gurcharan Singh Gosal	Whole Time Director
Mr. Vishal Singh Sirmauria	Chief Financial Officer
Ms. Priyanka Oberoi	Company Secretary & Compliance Officer

**f) Disclosures by Directors:**

The Directors have submitted notice of interest in **Form MBP 1** under Section 184(1) as well as Declaration by Directors under Section 164(2) and other declarations as to compliance with the Companies Act, 2013.

**g) Disqualifications of Directors:**

None of the Directors of your Company is disqualified under the provisions of Section 164(2) of the Companies Act, 2013 and the Board herewith takes on record the eligibility of all the Directors to continue as Directors of the Company in terms of Sec 164(2) of the Companies Act, 2013."

**h) Independence & Other Matters Pertaining to Independent Directors**

As on March 31st, 2024, the following Directors on your Company's Board were Non-Executive Independent Director :

- 1 Mr. Sanjiv Swarup
- 2 Mr. Purnachand Upadrashta
- 3 Ms. Chinmayee Swarup Deulgaonkar

With regard to integrity, expertise and experience (including the proficiency) of the Independent Director appointed, the Board of Directors have taken on record the declarations and confirmations submitted by the Independent Director and is of the opinion that they are the person of integrity and possess relevant expertise and experience and there continued association as Director will be of immense benefit and in the best interest of the Company.

Further, in the opinion of the Board, the independent directors appointed during the financial year are the person of integrity and possesses relevant expertise and experience.

**9. Declarations given by Independent Directors under Section 149(6) of the Companies Act, 2013**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and 16(b) of the Listing Regulations so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the rules made thereunder and Listing Regulations.

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ("IICA").

**10. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of Independent Directors by entire Board without presence of Independent Director being evaluated.

The Directors has been satisfied with the performance of all the Independent directors and is of opinion that all Independent Directors are the person of integrity and possess relevant experience and expertise.

**11. Listing of Equity Shares**

During the year under review, Equity shares of your Company got listed on the BSE SME Platform on March 27, 2024. The Company obtained in principal approval from BSE (SME Platform) on March 1, 2024.

**12. Initial Public Offer & consequent listing of Shares on SME Exchange of BSE Limited**

During the period under review, the Company has made an SME Initial Public Offer (IPO) for 59,62,000 (Fifty-Nine Lakh Sixty Two Thousand only) equity shares of face value of Rs.10 each.

The issue price was Rs.56 (Rupees Fifty- Six only) per share including the premium of Rs.46 (Rupees Forty -six only) per equity share.

The said equity shares were allotted in the following manner: -

- 16,98,000 Equity shares were allotted to Anchor Investors;
- 11,32,000 Equity Shares were allotted to Qualified Institutional Buyers (except Anchor Investors);
- 8, 50,000 Equity Shares were allotted to Non-Institutional Bidders.
- 19,82,000 Equity Shares were allotted to Retail Individual Bidders; and
- 3,00,000 Equity Shares were allotted to Market Maker.

The Company's equity shares were listed on the Stock Exchanges viz., BSE Limited w.e.f. March 27, 2024.

Your Company has issued and allotted 59,62,000 ( Fifty Nine Lakh Sixty Two Thousand only) equity shares of face value of Rs.10 each on cash at an issue price of Rs.56 (Rupees Fifty Six only) per share including the premium of Rs.46 (Rupees Forty six only) pursuant to the **Initial Public Offering ("IPO")** of the Company.

**13. Dematerialization of Shares**

All the Shares of your Company were in Dematerialization mode as on March 31, 2024. The ISIN of the Equity Shares of your Company is **INE0AH901011**.

**14. Details of Subsidiary/Joint Ventures/Associate Companies**

During the year under review, the Company do not have any subsidiary/joint ventures/Associate companies.

**15. Number of Meetings of the Board of Directors**

The Board meets at regular intervals to discuss and decide on Company's business policy and strategies apart from other urgent business matter. The date of meetings of the Board of Directors and Committee are informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The notice and agenda of the Board/ Committee meetings is circulated in accordance with the provisions of the Secretarial Standard on meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year under review, Board of Directors of the Company met 22(Twenty-Two) times as April 21, 2023, June 15, 2023, June 23, 2023, July 10, 2023, July 14, 2023, July 15, 2023, August 23, 2023, September 08, 2023, September 11, 2023, September 15, 2023, September 30, 2023, October 06, 2023, November 11, 2023, January 17, 2024, January 22, 2024, January 27, 2024, February 06, 2024, March 08, 2024, March 12, 2024, March 15, 2024, March 22, 2024, March 22, 2024

The details of attendance of each Directors at the Board Meetings are given below;

Name of Director	Date of Original Appointment	Date of Cessation	Number of Board Meetings Eligible to attend	Number of Board Meetings attended
Mr. Paramjit Singh Chatha	08.10.1997	-	22	20
Mr. Gurcharan Singh Gosal	01.10.2001	-	22	18
Mr. Gurpreet Chatha	30.08.2004	-	22	20
Mr. Iqbal Singh Chatha	08.10.1997	17.01.2024	14	13
Mr. Ravi Mathur	05.09.2013	15.07.2023	6	1
Mr. Purnachand Upadrashta	11.09.2023	-	13	3
Ms. Chinmayee Swarup Deulgaonkar	11.09.2023	-	13	3
Mr. Sanjiv Swarup	22.01.2024	-	7	3

The intervening gap between two consecutive meetings was within the maximum period mentioned under Section 173 of the Companies Act, 2013.

## 16. Committees of the Board

Presently, the Board has following Committees viz. the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee.

### a. Audit Committee

The Audit Committee was duly constituted on September 11, 2023 in accordance with the provisions of Section 177 of the Companies Act, 2013. Following the resignation of one its members, the committee is reconstituted on January 27, 2024.

During the year under review, Audit committee met 2(Two) times viz on February 05, 2024 and March 08, 2024.

The composition of the Committee and the details of meetings attended by its members are given below;

Name of Members	Designation	Category	Number of Meetings Eligible to attend	Number of Meetings attended
Mr. Purnachand Upadrashta	Chairman	Non-Executive Independent Director	2	2
Ms. Chinmayee Swarup Deulgaonkar	Member	Non-Executive Independent Director	2	2
Mr. Paramjit Singh Chatha	Member	Managing Director	2	1

The Company Secretary of the Company acts as a Secretary to the Committee.

During the year under review, the Board has accepted all recommendations of the Audit Committee and accordingly, no disclosure is required to be made in respect of non-acceptance of any recommendation of the Audit Committee by the Board.

**b. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was duly constituted on September 11, 2023 in accordance with the provisions of Section 178 of the Companies Act, 2013. Following the resignation of one its members , the committee was reconstituted on January 27, 2024

During the year under review, committee met 2(Two) times viz on January 22,2024 and March 15, 2024.

The composition of the Committee and the details of meetings attended by its members are given below;

<b>Name of Members</b>	<b>Designation</b>	<b>Category</b>	<b>Number of Meetings Eligible to attend</b>	<b>Number of Meetings attended</b>
Mr. Purnachand Upadrashta	Chairman	Non-Executive Independent Director	2	1
Ms. Chinmayee Swarup Deulgaonkar	Member	Non-Executive Independent Director	2	2
Mr. Sanjiv Swarup	Member	Non-Executive Independent Director	1	1

The Company Secretary of the Company acts as a Secretary to the Committee.

The purpose of the Nomination and Remuneration Committee (“NRC”) is to oversee the Company’s nomination process for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and determine the role and capabilities required for Independent Directors consistent with the criteria as stated by the Board in its Nomination and Remuneration Policy.

**Remuneration Policy**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining, qualifications, positive attributes and independence of directors and also a policy for the remuneration of directors, key managerial personnel, and senior management.

The policy will be updated on the website of the company once it has been approved by the Board of Directors.

**c. Stakeholders’ Relationship Committee**

The Stakeholders Relationship Committee was duly constituted on September 11 , 2023 in accordance with the provisions of Section 178 of the Companies Act, 2013. Following the resignation of one its members, the committee is reconstituted on January 27, 2024.

During the Financial Year 2023-24, the Stakeholders Relationship Committee met 1(One) time on January 17, 2024.

The composition of the Committee and the details of meetings attended by its members are given below;

<b>Name of Members</b>	<b>Designation</b>	<b>Category</b>	<b>Number of Meetings Eligible to attend</b>	<b>Number of Meetings attended</b>
Mr. Purnachand Upadrashta	Chairman	Non-Executive Independent Director	1	0
Mr. Paramjit Singh Chatha	Member	Managing Director	1	1
Mr. Gurpreet Chatha	Member	Whole Time Director	1	1

The Company Secretary of the Company acts as a Secretary to the Committee.

The Stakeholders’ Relationship Committee considers and resolves the grievances of our shareholders including complaints relating to non-receipt of annual report, transfer and transmission of securities, issue of new/duplicate certificates, general meetings and such other Grievances as may be raised by the security holders of the Company, from time to time.



## 17. Meeting of Independent Directors

Pursuant to Secretarial Standard -1 and Schedule IV of the Companies Act, 2013 the independent directors shall conduct at least One (1) meeting in a Financial Year to review the performance of Non- Independent Directors and the Board as a whole; to review the performance of the Chairman and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board and its members that is necessary for the Board to effectively and reasonably perform their duties.

Accordingly, all Independent Directors of the Company have conducted a meeting dated March 27, 2024 without presence of non-independent director where they review the performance of all non-independent director of the Company and the board as a whole, also review the performance of the Chairman of the Company and assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

## 18. Risk Management Policy

Your Company has an elaborated risk Management procedure and adopted systematic approach to mitigate risk associated with accomplishment of objectives, operations, revenues and regulations. Your Company believes that this would ensure mitigating steps proactively and help to achieve stated objectives. The entity's objectives can be viewed in the context of four categories Strategic, Operations, Reporting and Compliance. The Risk Management process of the Company focuses on three elements, viz. (1) Risk Assessment; (2) Risk Management; (3) Risk Monitoring.

Audit Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risk that the organization faces. The key risks and mitigating actions are also placed before the Audit Committee of the Company. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

## 19. Corporate Governance

Pursuant to provisions of Regulation 15 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the SME Listed Companies are exempt from the provisions of Corporate Governance.

As the Company is listed on the SME Platform of BSE, the corporate Governance provisions do not apply. Consequently, the Corporate Governance report is not included in the Annual Report.

## 20. Non-Applicability of the Indian Accounting Standards

As per provision of Rule 4(1) of the companies (Indian Accounting Standards) Rules, 2015 notified vide Notification No. G.S.R 111(E) on February 16th, 2015, Companies whose shares are listed on SME exchange as referred to in Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, are exempted from the compulsory requirements of adoption of IND-AS w. e. f. April 15, 2017. As your Company is listed on SME Platform of BSE Limited, is covered under the exempted category and is not required to comply with IND-AS for preparation of financial statements beginning with period on or after April 1st, 2017.

## 21. Auditors

### A. Statutory Auditors

Statutory Auditors of the Company, **M/S. A BAFNA & CO**, Chartered Accountants (Firm's Registration No. 003660C), have confirmed their eligibility under Sec 141 of Companies Act 2013 and that they are not disqualified for appointment.

### Auditor's Report

During the year under review, the Auditor's Report does not contain any qualifications/ adverse remarks. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further explanation by the Board of Directors. There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their reports.

### Internal Financial Controls and its Adequacy

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are

designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Audit Committee evaluates the efficiency and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures, and strives to maintain the standards in Internal Financial Control.

**B. Secretarial Auditors**

The Board of Directors of your Company, had appointed **M/s. Jaspreet Dhawan & Associates**, Practicing Company Secretary (PCS No. 8545), as the "Secretarial Auditors" of the Company, to conduct the Secretarial Audit for the Financial Year 2023-24, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

**Secretarial Audit Report**

The Secretarial Audit Report submitted by M/s. Jaspreet Dhawan & Associates, the Secretarial Auditors, for the Financial Year 2023-24 is annexed as "**Annexure-A**" to this Board's Report. The reply to the observations of Secretarial auditors is attached as addendum to Director report.

**C. Appointment Of Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, **M/S. D J N K & CO. (LLP)**, was appointed as an Internal Auditor of the Company for the Financial Year 2023-24.

**22. Details in respect of frauds reported by auditors under sub-Section (12) of Section 143**

During the year under review, there are no frauds reported by the Statutory Auditors of the Company under Section 143 (12) of the companies Act 2013.

**22. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report**

There have been no other material changes and commitments affecting the financial position of the Company since the close of financial year ended March 31, 2024 and to the date of this report

**23. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future**

During the year under review, there is no Significant Order passed by the Regulators or courts or Tribunals impacting the going concern status and Company's operations in future.

**24. Deposits**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act 2013, read with Companies (Acceptance of Deposits) Rules, 2014 and hence there were no outstanding deposits and no amount remains unclaimed with the Company as on 31st March 2024.

**25. Particulars of Loans, Guarantees or Investments Under Section 186 of the Companies Act, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**26. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure "B"**.

**26. Particulars of contracts or arrangements with related parties**

All related party transactions/arrangements/contracts entered into by the Company during the financial year 2023-24 were either undertaken on the basis of approval by the Audit Committee and/or Board. All related party transactions were at arm's length basis and in the ordinary course of business in compliance with the applicable provisions of the Companies Act, 2013.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. Details of related party transactions entered into by the Company, in terms of generally accepted accounting Principles in India have been disclosed in the notes to the standalone financial statements forming part of this Annual Report.

Accordingly, the disclosure on material Related Party Transactions, as required under Section 134(3) of the Act in Form No. AOC-2 is not applicable.

#### **27. Details of application made or proceeding pending under the insolvency and bankruptcy code, 2016**

During the year under review, no application has been made under the Insolvency and Bankruptcy Code, 2016.

#### **28. Details of difference between valuation amount on one time settlement and valuation while availing loan from bank and financial institutions**

During the year under review, there was no instance of one-time settlement of loans/ financial assistance taken from Banks or Financial Institutions, hence the Company was not required to carry out valuation of its assets for the said purpose.

#### **29. Corporate Social Responsibility**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the company in previous financial year 2022-23.

But the profit of the company for the financial year 2023-24 is more than 5 Crore therefore the CSR provisions become applicable on the company for the F.Y 2024-25.

#### **30. Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

As per requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has already maintained an internal policy to prevent women's harassment at work and covered all employees so they could directly make complaints to the management or Board of Directors if such situation arises.

The Management and Board of Directors together confirm a total number of complaints received and resolved during the year is as follows:

- a) No. of Complaints received: Nil
- b) No. of Complaints disposed: Nil

Company has a zero tolerance towards sexual harassment at the workplace. The Company has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **31. Particulars Of Employees**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosure pertaining to remuneration and other details are provided in the Annexure-C to this Report.

#### **32. Cost Records**

During the year under review, the Company is not required to maintain cost records as specified by the Central Government under sub-Section (1) of Section 148 of the Companies Act, 2013.

#### **33. Cost Audit**

During the year under review, the Company is not required to carry out the Cost Audit as specified by the Central Government under sub-Section (2) of Section 148 of the Companies Act, 2013.

**34. Management Discussion and Analysis**

In terms of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, Management Disclosure and Analysis Report is attached separately which **forms part of Annual report**.

**35. Statement of Compliance of Applicable Secretarial Standards**

The Company has ensured compliance with the mandated Secretarial Standard I & II issued by the Institute of Company Secretaries of India with respect to board meetings and general meetings respectively and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

**36. Transfer of Amounts to Investor Education And Protection Fund**

The Company did not have any funds lying unpaid or unclaimed which were required to be transferred to Investor Education and Protection Fund (IEPF).

**37. Directors' Responsibility Statement**

Pursuant to sub-Section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained/ received from the operating management, your Directors make the following statement and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively.

**38. Annual Return**

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of Annual Return is available for inspection by the Members at the Registered office of the Company in the working hours and also on the website of the Company <https://cfpl.net.in/>

**39. SEBI Complaints Redress System (Scores)**

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Take Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on **SCORES** and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has not received any complaint on the SCORES during financial year 2023-24.

**Details of the Complaint Received/Solved/Pending During the year**

Sr. No.	Complaints received from	Complaints received	Complaints resolved	Complaints pending
1	Directly received from investors	NIL	NIL	NIL
2	SEBI SCORES	NIL	NIL	NIL
3	Stock Exchange	NIL	NIL	NIL
4	Others sources (if any)	NIL	NIL	NIL
	Total	NIL	NIL	NIL

**40. Vigil Mechanism**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards the Company encourages the employees to raise their genuine concerns without fear of criticism. Therefore, Company has Vigil Mechanism and has established necessary framework to protect genuine whistle blowers, employees, third parties from any unfair treatment.

The policy will be updated on the company website once it has been approved by the board of directors.

**41. Acknowledgement**

Your Directors wish to place on record sincere appreciation for the support and co-operation received from various Central and State Government Departments, organizations and agencies. Your Directors also gratefully acknowledge all stakeholders of your Company, viz., Shareholders, customers, dealers, vendors, banks and other business partners for excellent support received from them during the Financial Year under review. Your Directors also express their genuine appreciation to all the employees of the Company for their unstinted commitment and continued contribution to the growth of your Company. Directors are thankful to the esteemed stakeholders for their support and confidence reposed in the Company.

For and on behalf of **CHATHA FOODS LIMITED**  
(Formerly Known as Chatha Foods Private Limited)

**Sd/-**  
**GURPREET CHATHA**  
**Whole Time Director**  
DIN: 01389143

**Sd/-**  
**PARAMJIT SINGH CHATHA**  
**Managing Director**  
DIN: 01154225

Place: Mohali

Date: 31.08.2024

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To**  
**The Members,**  
**CHATHA FOODS LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHATHA FOODS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute 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 **March 31, 2024** 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2024**, 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 there-under;
- (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 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 (Delisting of Equity Shares) Regulations, 2009; (The provisions of the said regulations are not applicable to the Listed Entity during the review period.)
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018; (The provisions of the said regulations are not applicable to the Listed Entity during the review period.)
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (The provisions of the said regulations are not applicable to the Listed Entity during the review period.)
  - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (The provisions of the said regulations are not applicable to the Listed Entity during the review period.)
  - (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (i) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- (vi) We relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:
  1. Food Safety and Standards Act, 2006.
  2. Food Safety and Standards Rules, 2011.

3. The Food Safety and Standards (Packaging and Labeling) Regulations, 2011.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- b) The Listing Agreements entered into by the Company with Stock Exchange(s).

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

**We report that:**

- (i) At the time of issue of bonus shares on September 13, 2023, all the promoters and Directors shareholdings were held in the physical form which results in the non Compliance with the provision of Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (ii) The two Independent directors of the company were not registered with the Independent Directors data bank in accordance with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. Based on the representation made by the Company and its Officer, we herewith report that majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes.
4. Based on the representation made by the Company and its Officers explaining to us in respect of internal systems and mechanisms established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we 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.

**We further report that, during the audit period:**

1. The Company was converted into the Public limited Company on September 8, 2023.
2. Pursuant to the resolution passed by the Shareholders on 13th September 2023, the Authorised Share Capital of the Company was increased from Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) divided into 1,30,00,000 (One Crore Thirty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 25,00,00,000/- (Rupees Twenty five Crores Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten Only) each.
3. On October 6, 2023, the Company had allotted 41,33,720( Forty One Lacs Thirty Three Thousand Seven Hundred Twenty) bonus shares of Rs. 10/- each in the ratio of 1:3 i.e. 1 (One) equity shares for every Three (Three) existing fully paid up equity share held by the existing members of the Company by capitalisation of free reserves.
4. The Company has come with an IPO ,wherein 59,62,000 equity shares has been allotted. The equity shares of the Company have been listed under SME Platform of BSE w.e.f March 27, 2024.

For Jaspreet Dhawan & Associates  
Company Secretaries

Jaspreet Singh Dhawan

M. No. 9372

CP.NO: 8545

PR No. 1335/2021

UDIN:F009372F001005268

Date: 20.08.2024

Place: Mohali

**ADDENDUM TO SECRETARIAL REPORT FOR THE YEAR 2022-23 IN RESPECT OF OBSERVATIONS MADE BY SECRETARIAL AUDITOR REPORT ON THE SECRETARIAL AUDIT OF CHATHA FOODS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024.**

<b>RefNo.</b>	<b>SECRETARIAL AUDITOR'S OBSERVATIONS</b>	<b>COMPANY'S REPLY</b>
1.	At the time of issue of bonus shares on September 13, 2023, all the promoters shareholdings were held in the physical form which results in the non Compliance with the provision of Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014.	The Board of Director has considered the observation and taken the suitable step by disclosing the same in the Red hearing prospectus uploaded on the website of the Company.
2.	The two Independent directors of the company were not registered with the Independent Directors data bank in accordance with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.	The Board of Director has considered the observation and taken the suitable steps by registering the Independent Directors of the Company with the Indian Institute of Corporate Affairs ("IICA").



**ANNEXURE “B” TO DIRECTORS’ REPORT FOR THE YEAR ENDED 31ST MARCH, 2024**

**INFORMATION UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE REPORT OF THE DIRECTORS**

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

<b>Particulars</b>	<b>Remarks</b>
A) CONSERVATION OF ENERGY:	
> the steps taken or impact on conservation of energy;	Your Company is taking due care when using electricity in the office and its units.
> the steps taken by the company for utilizing alternate sources of energy;	Your Company usually takes care for optimum utilization of energy. No capital investment on energy conservation equipment made during the financial year.
> the Capital investment on energy conservation equipment's.	
B) TECHNOLOGY ABSORPTION:	
> the efforts made towards technology absorption;	The products of your company are developed using internal know-how; no outside technology is used for operational tasks. As a result, technological immersion is not necessary. This strategy ensures that all products are developed in accordance with our specific standards and gives your company total control over the production process. By continuously innovating and adapting to shifting customer demands, your Company can maintain a competitive edge in the market by relying on internal know-how.
> the benefits derived like product improvement, cost reduction, product development or import substitution;	
> in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	
> the expenditure incurred on Research and Development	Your Company has not incurred any expenditure on Research and Development for the Financial year 2023-24
(c) FOREIGN EXCHANGE EARNINGS AND OUTGO:	Foreign Exchange Earnings (In Lakhs):
> The Foreign Exchange earned in terms of actual inflows during the year and the Foreign	For FY 2023-24: Nil
Exchange outgo during the year in terms of actual outflows	For FY 2022-23: Nil
	Foreign Exchange Outgo (In Lakhs):
	For FY 2023-24: Nil
	For FY 2022-23: Nil

For and on behalf of **CHATHA FOODS LIMITED**  
(Formerly Known as Chatha Foods Private Limited)

**Sd/-**  
**GURPREET CHATHA**  
**Director**  
DIN: 01389143

**Sd/-**  
**PARAMJIT SINGH CHATHA**  
**Managing Director**  
DIN: 01154225

Place: Mohali

Date: 31.08.2024

**EMPLOYEES DETAILS**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) & 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are mentioned below:

**(A) Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014**

- i. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase in remuneration during the financial year, Ratio of remuneration of Directors to the Median Remuneration of employees.

Name of Director/ Key Managerial Personnel	Designation	Remuneration (INR) 2022-2023	Remuneration (INR) 2023-2024	% Increase in Remuneration in the year 2023- 24	Ratio of Remuneration of each Director to Median remuneration of employee
PARAMJIT SINGH CHATHA	Managing Director	35,50,000	60,00,000	60%	3125:84
GURPREET CHATHA	Whole-time director	1,440,000	1,440,000	0%	125:14
GURCHARAN SINGH GOSAL	Whole-time director	966,600	966,600	0%	2685:448
VISHAL SINGH SIRMAURIA	Chief Financial Officer	714,156	900,000	26.02289	625:112
PRIYANKA OBEROI	Company Secretary and Compliance Officer	0	525,000	-	625:112
NAVIT KUMAR	Company Secretary	336,753	0	-	NA
NIDHI	Company Secretary	0	200,001	-	NA

Note:

- Mr. Navit Kumar Ceased to be the Company Secretary of the Company w.e.f. July 31, 2023.
- Ms. Nidhi Appointed as Company Secretary of the Company w.e.f. August 01, 2023.
- Ms. Nidhi Ceased s Company Secretary of the Company w.e.f. September 15, 2023
- Ms. Priyanka Oberoi appointed as Company Secretary and Compliance Officer of the Company w.e.f. September 15, 2023
- ii. The median remuneration of the Company for its employees is INR 13,440 per month for the financial year 2023-2024.
- iii. The Percentage Increase in median remuneration of employees in the Financial Year: 3.58%
- iv. Number of permanent employees on the rolls of the Company: 403 (As on March 31, 2024).
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2023-24 was 36.55% whereas the increase in the remuneration of managerial personnel was 19.19%. The annual increment in remuneration is as per the terms of appointment and is in conformity with the remuneration policy of the Company.
- vi. We, hereby affirm that pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the remuneration paid to the Directors, Key Managerial Personnel is as per the remuneration policy of the Company.

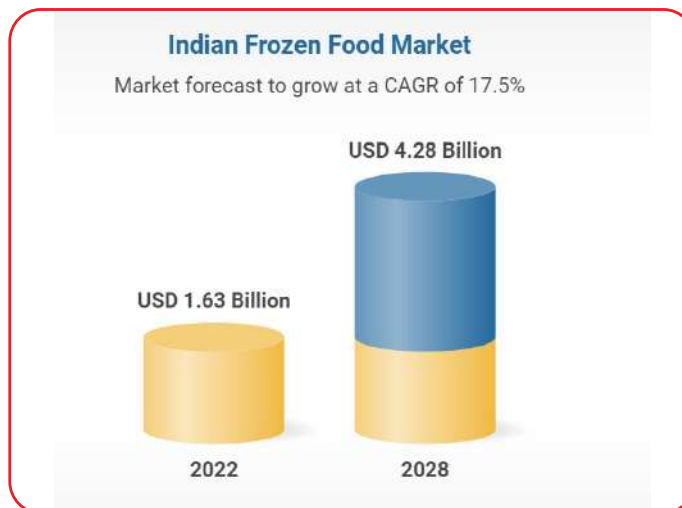
**(B) INFORMATION RELATING TO TOP 10 EMPLOYEES**

S. NO.	Name of Employee	Designation	Salary (per month) (in Rs.)	Qualification	Age	Experi-ence (in years)	Date of joining	Last Employ-ment	Relative of any director/manager
1	PARAMJIT SINGH CHATHA	MANAGING DIRECTOR	500,000.00	HIGHER SECONDARY	54	25	08/10/1997	-	No
2	PRASHANT VERMA	NATIONAL SALES HEAD	177,949.00	MBA MARKETING	45	23	03/07/2015	ZYDUS WELLNESS LIMITED	No
3	KULBEER WALIA	CHIEF ACCOUNTS OFFICER	175,000.00	CA INTER	56	25	01/02/2003	-	No
4	JUNE ODELIA SWER	PLANT & QUALITY HEAD	175,000.00	MSC FOOD TECH	45	21	13/05/2006	M/S. MANSAN FRUIT PRODUCTS	No
5	ROOHI PURI	EMPLOYEE	166,320.00	3 YEARS DIPLOMA IN ELECTRONICS AND COMMUNICATION ENGINEERING	44	28	15/01/2020	TRIVITRON HEALTHCARE	No
6	SANDEEP BHARDWAJ	HEAD - OPERATIONS	150,000.00	GRADUATE	52	30	17/05/2004	RENAISSANCE DISTILLERIES & BREWERIES LTD.	No
7	BHIM GURUNG	EMPLOYEE	150,000.00	M.COM	49	27	11/04/2023	DASS FOOD & BEVERAGES PVT LTD	No
8	SANDEEP SINGH KANG	EMPLOYEE	150,000.00	GRADUATE	51	25	01/07/2023	-	No
9	GURPREET CHATHA	DIRECTOR	120,000.00	HIGHER SECONDARY	43	20	30/08/2004	-	No
10	ALOK KUMAR	SENIOR MANAGER	97,200.00	POST GRADUATE	45	17	14/10/2019	ROSSELL HOSPITALITY	No

**MANAGEMENT DISCUSSION AND ANALYSIS**

**ECONOMIC OVERVIEW**

The global economy is anticipated to strengthen in 2025 as uncertainties diminish and major Western central banks are expected to lower interest rates towards the end of 2024. This shift is expected to boost capital flows to India, enhancing private investment and exports. While inflation concerns persist, they are projected to ease in the latter half of the next fiscal year, barring any unexpected spikes in oil or food prices. India has emerged as the fastest-growing economy in the world and is expected to be one of the top three economic powers over the next decade, backed by its robust democracy and strong partnerships. As India races to clinch the third spot in terms of GDP, the consumer market is also set to become the world’s third-largest by 2027. Despite significant challenges in the global environment – including renewed disruptions of supply lines following the rise in geopolitical tensions, the synchronized tightening of global monetary policies, and inflationary pressures, the Indian economy has shown substantial growth. According to a survey by the Reserve Bank of India, consumer confidence has barely reached pre-pandemic levels, and the improvement over the past few months has been gradual, despite a strong pickup in economic activity. However, the rapid growth of the middle-income class has led to rising purchasing power and even created demand for premium luxury products and services. With the number of middle-to-high-income households with increasing disposable income to rise, this trend will likely get further amplified, driving overall private consumer expenditure growth. India’s per capita income has steadily increased by 140%—from US\$1,674 in 2014 to US\$2,341 in 2022.

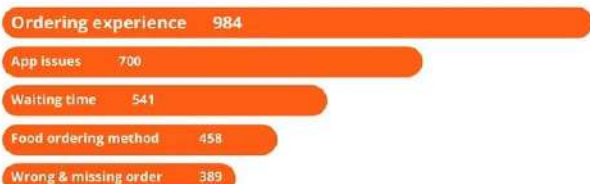


India has successfully navigated multiple economic shocks in recent years, solidifying its position as one of the fastest growing major economies in the world. The IMF has raised India’s economic growth forecast to 6.8% for 2024-25 and 6.5% for 2025-26, up from its previous forecast of 6.7% for 2024. The growth in GDP during the year 2023-24 is estimated at 7.6 % as compared to 7.0% in 2022-23. With inflation currently around 4.7%, close to the mid-target of 4%, further decreases in inflation are expected, which should bolster consumer spending. This positive outlook for consumption, combined with continued economic reforms and strong public investment, supports a robust growth trajectory for India in the coming years.

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**INDUSTRY OVERVIEW & OUTLOOK**

**Top 5 Customer concerns in the QSR industry**



The India Foodservice Market is poised for healthy growth, with an estimated value of USD 78 billion in 2024, projected to skyrocket to USD 125 billion by 2029, indicating a notable CAGR of 10 %, surpassing the 6% growth recorded during 2017-2023. Currently, Full-Service restaurants hold a dominant 43% share, expected to maintain their leading position. Concurrently, Cloud Kitchens are set to experience accelerated growth at 17%, fuelled by the rising demand for food delivery through digital platforms.

The India Quick Service Restaurant (QSR) Market size is estimated at 25 billion USD in 2024, and is expected to reach 39 billion USD by 2029, growing at a CAGR of 8.7% during the forecast period (2024-2029). The India Quick Service Restaurant Market is fragmented, with the top five companies occupying 4.7% of the market share out of which your Company is one of the leading players. Furthermore, consumers in India spend 35% of their total expenditure on food and the average spending on fast food has been rising consistently. Chained Outlets constitute a significant segment, with a 52% value share in 2023, driven by urbanization and the trend of eating out, promising robust growth. Meat-based cuisines command the largest segment by cuisine type, driven by increasing popularity among consumers with rising disposable incomes and a growing young population. Pizza,

expected to grow at an 11% CAGR from 2024-2029. Factors such as online food ordering, low start-up costs, and evolving consumer preferences are anticipated to drive further growth.

The aggregate revenues of the domestic QSR industry witnessed healthy growth of 54% in FY 2022 and 33% in FY 2023. This growth was supported by strong pent-up demand post-Covid and the wide adoption of user-friendly delivery applications and tech-enabled delivery channels. However, the first half of the fiscal year 2024 saw a drop in the operating margins to approximately 18.6% from 20.6% in first half of the previous fiscal year. The average daily sales (ADS) also saw a moderate downfall. This is due to the aggressive store expansions undertaken in the past two fiscal years. As new stores require time to mature, the impact is visible on the overall sales trajectory. Overall, the transformation of India's economy is driving significant shifts in the Foodservice industry, with recent stringent regulations enforced by FSSAI playing a crucial role in stimulating growth within the organized sector. Moreover, technological advancements, including automation of restaurant operations and utilization of data-driven insights, are revolutionizing consumption patterns, while the adoption of pre-processed and pre-packaged ingredients is streamlining kitchen preparation.

## KEY DRIVERS FOR GROWTH & OPPORTUNITY

The Indian food services industry is evolving rapidly and has immense potential. The interplay of various drivers is influencing its growth, and Changing Lifestyles: As India's urban population continues to grow, the demand for quick and convenient food options has surged. The rise of fast-paced lifestyles has led to an increased preference for ready-to-eat meals. QSR Industry caters to this growing need by providing hassle-free food options. Rising Disposable Income: With India's fast-growing economy and rising disposable incomes, consumers are willing to spend on dining out or ordering food. QSRs provide an affordable alternative to full-service restaurants, making them attractive to a broader audience. Diversifying Culinary Trends: The increasing exposure to global cultures, driven by travel and tourism, has led to a growing demand among consumers for a blend of international and fusion cuisines.



**Digital Transformation and Growing Influence of Food Aggregators:** The widespread availability of affordable internet access, budget-friendly smartphones, and the ubiquity of social media platforms are contributing to the industry's expansion, has enhanced online ordering experiences. The widespread adoption of app-based ordering and doorstep delivery services provided by food aggregators continues to fuel growth in the Indian food services market due to the convenience they offer.

**Aggressive Store Expansion:** QSRs pursued expansion, particularly in Tier 2 and 3 cities, where competition was lower and potential was higher. The industry aimed to add approximately 2,300 stores between FY2023 and FY2025, with an estimated capital expenditure of around ₹ 5,800 crore. QSRs adapted to changing market dynamics and customer expectations through variety, customization, and innovation in their offerings.

## BUSINESS OVERVIEW

Chatha Foods Limited is one of India's recognised frozen food processor, serving top QSRs(Quick Serving Restaurants), CDRs (Casual Dining Restaurants), and other players in the HoReCa (Hotel-Restaurant-Catering) segment.

For years, we have been supplying premium quality meat products to the leading international chains like **Domino's**, **Subway**, **Burger King** and many more, in India. Our successful associations have won us many praises and accolades, including nomination for the '**Best Supplier of the Year (Pan Asia)**' award by Subway, for the year 2018.

### Our Business Model includes:

- **Concept Manufacturing:** We own the product formula made for all brands and ensure that customers are provided with complete turnkey solutions. Based on extensive research and testing methods, we offer customisable options at competitive prices. We utilise our skilled team of food technologists & product designers in conceptualising the products' unique brand identity

# CHATHA FOODS LIMITED

- Concept Sharing Manufacturing: Our customers share the product formula and ideas and work with us to develop products suitable for the customers' brands
- Own Brands: We sell our own brand products through our distribution network across industry comprising of mid segment & standalone QSR brands

## KEY DRIVERS FOR GROWTH & OPPORTUNITY

Key Drives for current year

Key Metrics	As on 31st March 2024
Distributors	38
Cities	40
QSRs (Quick Service Restaurants)	156
SKUs (Stock Keeping Units)	193
Non-vegetarian	122
Plant-based	31
Vegetarian	40
Customers	40
Employees	403

### Non-vegetarian Products



### Plant-based Products



### Vegetarian Products



## Independent Auditor's Report On Audit Of Standalone Financial Statements

To  
**The Board of Directors,**  
**Chatha Foods Limited**

### Opinion

We have audited the standalone financial statements of **Chatha Foods Limited** (Formerly known as Chatha Foods Private Limited ("the Company")), which comprise the balance sheet as at March 31, 2024, the statement of profit and loss, statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and its cash flows for the year ended on that date.

### Basis of Opinion

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

### Other Matter

The standalone financial statements of the Company for the year ended 31 March 2023 were audited by the predecessor auditor, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 8<sup>th</sup> September 2023.

Our Opinion is not modified in respect of above matters.

### 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. no	Key Audit Matter	Auditor's Response
1.	<b>Revenue Recognition:</b> Revenue is one of the key profit drivers. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, around dispatches / deliveries, inventory reconciliations and substantive testing for cut-offs and analytical review procedures.

### Information other than the financial statements and Auditor's Report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact, since these reports are expected to be made available to us after the date of this audit report hence currently, we have nothing to report in this regard.

### **Management's Responsibilities for the Standalone Financial Results**

The Company's 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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have 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 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 auditors' 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 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 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the statement.

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

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

- 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying financial statements;
  - 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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 as on 31 March 2024 and operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - a. The company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note No. 35 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2024:
    - i. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- ii. The management has represented that, to the best of its knowledge and belief, as disclosed in note 37(a) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- iii. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- d. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For A. Bafna & Co.**  
**Chartered Accountants**  
**FRN : 003660C**

**(Vivek Gupta)**  
**Partner**

**M.No. 400543**

**UDIN:- 24400543BKCXRT1358**

**Place: Chandigarh**

**Date: 28/05/2024**

## ANNEXURE I TO THE INDEPENDENT AUDITOR'S

Referred to in Paragraph 1 under 'Report on other legal and regulatory requirement' section of our report to the members of Chatha Foods Limited of even date.

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company
- b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 12 to the financial statements are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.
- e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- 2) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in Note 8 to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore by bank based on security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- 3) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- 4) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- 5) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- 6) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products and services. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- 7) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- 8) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

- 9) a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including confirmation received from bank and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilized for long term purposes.
- e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- 10) a) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of initial public offer for which they were raised and unutilized amount has been parked in Fixed Deposit with bank. The Company did not raise any money by way of further public offer (including debt instruments) and term loans during the year.
- b) During the year ended 31 March 2024, the Company has completed its Initial Public Offer of equity shares of face value 10 each at an issue price of 56 per share (including share premium of 46 per share). The equity shares of the Company got listed on BSE Limited on 27<sup>th</sup> March 2023.
- 11) a) A To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- 12) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Accounting Standard (AS) 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2021 as prescribed under section 133 of the Act.
- 14) i) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- ii) We have considered the internal audit reports of the company issued till date, for the period under audit.
- 15) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- 17) The Company has not incurred any cash losses in the current as well as the immediately preceding financial year.
- 18) During the year under the review, previous statutory auditor of the company has resigned. As per form ADT-3 filed by the outgoing auditor the reason for their resignation was, "Disagreement over proposed fee for auditor deliverables on proposed capital market transaction". They have not raised any objection/concern.

- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- 21) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For A. Bafna & Co.**  
**Chartered Accountants**  
**FRN : 003660C**

**(Vivek Gupta)**  
**Partner**

**M.No. 400543**

**UDIN:- 24400543BKCXRT1358**

**Place: Chandigarh**

**Date: 28/05/2024**

**ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT****Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting **Chatha Foods Limited**. ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- 3) Provide reasonable assurance regarding prevention or timely detection of 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 Over Financial Reporting with reference to standalone financial statement**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the company has maintained, in all material respects, adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For A. Bafna & Co.**  
**Chartered Accountants**  
**FRN : 003660C**

**(Vivek Gupta)**  
**Partner**

**M.No. 400543**

**UDIN:- 24400543BKCXRT1358**

**Place: Chandigarh**

**Date: 28/05/2024**

**Balance Sheet as at 31 March 2024**

(All amounts are in ₹ lakhs unless stated otherwise)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,249.69	1,240.12
Reserves and surplus	4	3,527.08	934.99
<b>Total equity</b>		<b>5,776.76</b>	<b>2,175.10</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	123.51	166.19
Deferred tax liabilities (net)	6	244.88	277.22
Long-term provisions	7	205.47	180.53
<b>Total non-current liabilities</b>		<b>573.85</b>	<b>623.95</b>
<b>Current liabilities</b>			
Short Term Borrowings	8	684.02	894.00
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		73.09	92.38
Total outstanding dues of creditors other than micro enterprises and small enterprises		946.04	1,035.91
Other current liabilities	10	221.82	267.26
Short-term provisions	11	75.18	53.70
<b>Total current liabilities</b>		<b>2,000.15</b>	<b>2,343.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,350.76</b>	<b>5,142.30</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	2,753.17	2,869.51
Capital work-in-progress		-	-
Long-term loans and advances	13	358.29	307.72
Other Non-Current Assets	14	35.05	28.66
<b>Total non-current assets</b>		<b>3,146.51</b>	<b>3,205.89</b>
<b>Current assets</b>			
Inventories	15	1,176.54	916.87
Trade receivables	16	1,128.43	959.24
Cash and bank balances	17	2,812.75	16.04
Short-term loans and advances	18	86.52	44.26
<b>Total current assets</b>		<b>5,204.25</b>	<b>1,936.42</b>
<b>TOTAL ASSETS</b>		<b>8,350.76</b>	<b>5,142.30</b>
<b>Notes 1 to 39 form an integral part of these Financial Statements</b>			

This is the Balance Sheet referred to in our report of even date.

**For A Bafna & Co,**  
**Chartered Accountants**  
**Firm's Registration No.:003660C**

**Vivek Gupta**  
**Partner**  
**Membership No. 400543**

**Place:** Chandigarh  
**Date:** 28/05/2024

**For and on behalf of the Board of Directors of**  
**Chatha Foods Limited**  
 (Formerly Known as Chatha Foods Private Limited)

**Paramjit Singh Chatha**  
**Managing Director**  
 (DIN No: 01154225)

**Gurcharan Singh Gosal**  
**Director**  
 (DIN No: 01389179)

**Priyanka Oberoi**  
**Company Secretary**  
 (Membership No: A32400)

**Vishal Singh Sirmauria**  
**Chief Financial Officer**



## Statement of Profit and Loss for the year ended 31 March 2024

(All amounts are in ₹ lakhs unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue</b>			
Revenue from operations	19	13,379.93	11,722.77
Other income	20	3.27	1.46
<b>Total revenue</b>		<b>13,383.20</b>	<b>11,724.23</b>
<b>Expenses</b>			
Cost of materials consumed	21	9,583.38	8,888.71
Changes in inventory of finished goods and work-in-progress	22	(43.17)	(204.09)
Employee benefits expenses	23	1,255.23	1,059.87
Finance costs	24	85.78	97.41
Depreciation	25	279.53	274.54
Other expenses	26	1,366.59	1,270.80
<b>Total expenses</b>		<b>12,527.33</b>	<b>11,387.23</b>
<b>Profit before tax</b>		<b>855.87</b>	<b>337.00</b>
<b>Tax expense</b>			
Current tax		230.69	55.91
Current tax - earlier years			
Deferred tax		8.50	91.82
Minimum Alternate Tax (MAT) credit entitlement		-	(55.91)
Minimum Alternate Tax (MAT) credit entitlement - earlier years		-	-
<b>Profit after tax</b>		<b>616.68</b>	<b>245.20</b>
Earning per equity share (₹)-Not Annualized	27		
Basic (₹)		3.71	1.48
Diluted (₹)		3.71	1.48
<b>Notes 1 to 39 form an integral part of these Financial Statements</b>			

This is the Statement of Profit and Loss referred to in our report of even date

**For A Bafna & Co,**  
Chartered Accountants  
Firm's Registration No.:003660C

**Vivek Gupta**  
Partner  
Membership No. 400543

Place: Chandigarh  
Date: 28/05/2024

**For and on behalf of the Board of Directors of**  
Chatha Foods Limited  
(Formerly Known as Chatha Foods Private Limited)

**Paramjit Singh Chatha**  
Managing Director  
(DIN No: 01154225)

**Gurcharan Singh Gosal**  
Director  
(DIN No: 01389179)

**Priyanka Oberoi**  
Company Secretary  
(Membership No: A32400)

**Vishal Singh Sirmauria**  
Chief Financial Officer

**Cash Flow Statement for the year ended 31 March 2024**

(All amounts are in ₹ lakhs unless stated otherwise)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from operating activities:</b>		
Net profit /(loss) before tax	855.87	337.00
<b>Adjustments for:</b>		
Depreciation	279.53	274.54
Loss on sale of property, plant and equipment (net)	-	27.62
Interest income	(3.27)	(1.46)
Interest expense	85.78	97.41
<b>Operating profit /(loss) before operating capital changes</b>	<b>1,217.92</b>	<b>735.10</b>
<b>Adjustments for movement in:</b>		
Long-term provisions	24.95	44.34
Trade payables	(109.16)	117.25
Other current liabilities	(45.44)	(68.26)
Short-term provisions	21.48	(2.28)
Long-term loans and advances	(50.57)	(0.02)
Inventories	(259.67)	(248.60)
Trade receivables	(169.19)	(204.68)
Other Non-current assets	(6.40)	(0.07)
Short-term loans and advances	(42.27)	(7.62)
<b>Cash generated/(utilized in)from operating activities before taxes</b>	<b>581.66</b>	<b>365.15</b>
Income taxes (net)	(230.69)	(50.61)
<b>Net cash generated/(utilized in) from operating activities (A)</b>	<b>350.96</b>	<b>314.54</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment (including creditors for capital expenditure, capital advances and capital work-in-progress)	(163.22)	(222.27)
Interest received	3.27	1.46
Bank Deposits not considered as Cash and Cash Equivalent (Net)	(2,301.34)	-
Proceeds from sale of property, plant and equipment	-	50.96
<b>Net cash utilized in investing activities (B)</b>	<b>(2,461.30)</b>	<b>(169.85)</b>
<b>C Cash flow from financing activities:</b>		
Proceeds from long-term borrowings	-	(219.39)
Repayment of long-term borrowings	(42.68)	-
Proceeds from issue of share capital	3,338.72	-
Share Issue Expenses	(394.61)	-
Net increase/(decrease) in short-term borrowings	(209.99)	178.25
Interest paid	(85.78)	(96.44)
<b>Net cash (utilized in)/generated from financing activities (C)</b>	<b>2,605.68</b>	<b>(137.58)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>495.35</b>	<b>7.11</b>
Opening cash and cash equivalents	9.33	2.22
<b>Closing cash and cash equivalents</b>	<b>504.69</b>	<b>9.33</b>

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Notes:</b>		
(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with of the Companies (Accounts Standards) Rules, 2021.		
(b) Figures in brackets indicate cash outflow.		
<b>b) Cash and cash equivalents include:</b>		
Cash in hand	9.33	0.87
Balances with banks in current account	495.36	8.45
<b>Cash and cash equivalents</b>	<b>504.69</b>	<b>9.33</b>
Other bank balance*		
Deposit with maturity more than 3 months but less than 12 months	2,308.06	6.72
<b>Cash and bank balances</b>	<b>2,812.75</b>	<b>16.05</b>
*Other bank balance includes which are restricted and not available for use.		
<b>Notes 1 to 39 form an integral part of these Financial Statements</b>		

This is the cash flow statement referred to in our report of even date

**For A Bafna & Co,**  
**Chartered Accountants**  
**Firm's Registration No.:003660C**

**Vivek Gupta**  
**Partner**  
**Membership No. 400543**

**Place:** Chandigarh  
**Date:** 28/05/2024

**For and on behalf of the Board of Directors of**  
Chatha Foods Limited  
(Formerly Known as Chatha Foods Private Limited)

**Paramjit Singh Chatha**  
Managing Director  
(DIN No: 01154225)

**Priyanka Oberoi**  
Company Secretary  
(Membership No: A32400)

**Gurcharan Singh Gosal**  
Director  
(DIN No: 01389179)

**Vishal Singh Sirmauria**  
Chief Financial Officer

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

**1 Background and nature of operations**

Chatha Foods Limited (Formerly known as Chatha Foods Private Limited) incorporated in 1997 with registered office situated at 272, Mota Singh Nagar, Jalandhar, Punjab, IN.

The Corporate identification number of the company is L15310PB1997PLC020578, the company was converted from a Private limited Company to Public limited company w.e.f 08/09/2023

The Company is engaged in the business of food processing in India. It is engaged in frozen and ready to eat meat, vegetarian product and vegan foods manufacturer and retails an array of ready to eat and frozen meat and vegan products under the brand "Tempter" and "The Field Grill".

**2 Significant accounting policies****A Basis of preparation**

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAP). Indian GAAP comprises mandatory accounting standards as specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting pronouncements of The Institute of Chartered Accountants of India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

**B Use of estimates**

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in the current and future years.

**C Revenue recognition**

- a) Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of the goods are transferred to the customer and is stated net of Goods and Services Tax and net of trade discounts, and sales returns. No significant uncertainties exist regarding the amount of consideration that will be derived from sale of goods.
- b) Revenue from sale of services is recognized as the service is performed by the completed service contract method.
- c) Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the rates applicable.

**D Property, plant and equipment**

Property, plant and equipment are stated at cost (gross block) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of tax credit availed) and any attributable cost of bringing the asset to its working condition for its intended use.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in statement of profit and loss, when the item is de-recognized. Such gains are not classified as revenue.

Expenditure on account of modification/alteration in plant and machinery/building, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalized. Items of property, plant and equipment costing less than Rs. 5,000 are fully depreciated in the year of purchase.

Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily takes a substantial period of time to get ready for their intended use are capitalized.

The residual value of any asset is calculated at 5% of original cost of any asset in accordance with Schedule I of the Companies Act, 2013.

## E Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method based on life prescribed as per Schedule II of the Companies Act, 2013.

Block of asset	Useful life as per
Buildings	30-60
Plant and machinery	15
Furniture and fixture	10
Office equipment	5
Computers	3-15
Vehicles	8-10

## F Inventories

Inventories are valued as follows:

- Raw materials, stores and spares and packing materials:** At cost as determined on the basis of First In First Out (FIFO Basis). However, materials and other items held for use in the production of inventories are written down below cost only when both raw material net realizable value and the finished goods in which they will be incorporated are expected to be sold below cost.
- Work in process and finished goods:** Lower of cost and net realizable value. Cost includes direct materials and a proportion of labour and manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

## G Employee benefits

### Short-term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized in the statement of profit and loss in the period in which the employee renders the related service.

### Post-employment benefits

#### Defined contribution plan

The company makes specified contribution towards employee provident fund to Employees Provident Fund administered by the Regional Provident Commissioner. The Company's contribution to provident fund, being a defined contribution plan, is recognized in the statement of profit and loss in the financial year to which it relates.

#### Defined benefit plan

Gratuity is a post-employment defined benefit plan. The present value of obligation for gratuity is determined based on actuarial valuation using the Projected Unit Credit Method, together with adjustments for unrecognized actuarial gains or losses and past service costs. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise.

#### Other long-term liability

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability determined based on actuarial valuation using the Projected Unit Credit Method at the balance sheet date.

#### Actuarial gains/losses

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise.

**H Accounting for taxes on income**

Tax expense comprises current tax and deferred income tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year, computed in terms with the provision of Income Tax Act, 1961 and the rules made thereunder.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognized only to the extent there is virtual certainty that sufficient future taxable income will be available against which such losses can be realized.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**I Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**J Leases**

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease rentals in respect of assets taken under an operating lease are charged to the statement of profit and loss on a straight-line basis over the lease term.

**K Provisions and contingent liabilities**

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation at the reporting date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize assets which are of contingent nature until there is virtual certainty of realizability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs

**L Impairment of assets**

The Company on an annual basis makes an assessment of any indication that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference as impairment loss and is charged to the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss is no longer valid, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**M Cash and bank balances**

Cash and bank balances comprise cash, Current accounts and deposit with banks. The Company has a policy of classifying highly liquid investments which have a tenure of less than three months and are readily convertible into fixed amounts of cash and cash equivalents.

## Notes to the financial statements

(All amounts are in ₹ lakhs unless stated otherwise)

## 3 Share capital

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Authorized share capital</b>				
Equity shares of ₹ 10 each	2,50,00,000	2,500.00	1,30,00,000	1,300.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	2,24,96,879	2,249.69	1,24,01,159	1,240.12
<b>Total</b>	<b>2,24,96,879</b>	<b>2,249.69</b>	<b>1,24,01,159</b>	<b>1,240.12</b>

a. The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

## b. Reconciliation of equity share capital

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Equity share capital of ₹ 10 each fully paid up</b>				
Balance at the beginning of the year	1,24,01,159	1,240.12	1,24,01,159	1,240.12
Add : Bonus Shares issued during the year	41,33,720	413.37	-	-
Add : IPO (Public Offering) Shares issued during the year	59,62,000	596.20	-	-
<b>Balance at the end of the year</b>	<b>2,24,96,879</b>	<b>2,249.69</b>	<b>1,24,01,159</b>	<b>1,240.12</b>

## c. Shareholders holding more than 5 % of Share Capital

Particulars	As at 31 March 2024			As at 31 March 2023		
	No. of shares	%	% change during the year	No. of shares	%	% change during the year
Equity shares of ₹ 10 each						
Paramjit Singh Chatha	42,44,695	18.87%	24.63%	18,77,500	15.14%	0.00%
Iqbal Singh Chatha	7,79,838	3.47%	-77.10%	18,77,500	15.14%	0.00%
Gurpreet Singh Chatha	34,72,277	15.43%	1.95%	18,77,500	15.14%	0.00%
Gurcharan Singh Gosal	41,39,013	18.40%	-7.46%	24,65,600	19.88%	0.00%
SME Tech Fund	-	0.00%	-100.00%	38,44,359	31.00%	0.00%
Negen Undiscovered Value Fund	16,53,488	7.35%	100.00%	0	0	0.00%
Gursimar Singh Chatha	13,22,789	5.88%	100.00%	0	0	0.00%

d. Subsequent to 31 March 2023, SME tech fund has transferred its shares to existing and new shareholders via share purchase agreement dated 11 July 2023. The Company has no financial obligation. The Company has issued Bonus shares in the ratio 1:3 vide Resolution dated 13th September 2023. The total number of shares issued as bonus is 41,33,720 shares.

## e. Shares issued for consideration other than cash

There are no shares reserved for issue under options and contracts/commitments. Further, there are no shares that have been allotted during last 5 years pursuant to a contract without payment being received in cash or shares bought back. Except that, the Company has issued bonus shares in the ratio of 1:3 on 13th Sep 2023.

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

**f. Shares held by promoters at the end of year**

Particulars	As at 31 March 2024			As at 31 March 2023		
	No. of shares	%	% change during the year	No. of shares	%	% change during the year
Equity shares of ₹ 10 each						
Paramjit Singh Chatha	42,44,695	18.87%	24.63%	18,77,500	15.14%	0.00%
Iqbal Singh Chatha*	*	*	100.00%	18,77,500	15.14%	0.00%
Gurpreet Singh Chatha	34,72,277	15.43%	1.95%	18,77,500	15.14%	0.00%
Gurcharan Singh Gosal	41,39,013	18.40%	-7.46%	24,65,600	19.88%	0.00%
Anmoldeep Singh Chatha	4,87,200	2.17%	-26.50%	3,65,400	2.95%	0.00%

\*Iqbal Singh Chatha has been reclassified as a non-promoter w.e.f 08/09/2023 and subsequently reclassified as part of the promoter group in the board meeting held on 17/01/2024.

**4 Reserves and surplus**

	As at 31 March 2024	As at 31 March 2023
<b>Securities premium</b>		
Balance at the beginning and end of the year	915.56	915.56
Less: Bonus issue	(413.37)	-
Add: Proceeds from IPO	2,742.52	-
Less: IPO Related Expenses (Net of Deferred Tax impact)	(353.74)	-
	<b>2,890.97</b>	<b>915.56</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	19.43	(225.76)
Add : Transferred from statement of profit and loss	616.68	245.20
Balance at the end of the year	<b>636.11</b>	<b>19.43</b>
<b>Total</b>	<b>3,527.08</b>	<b>934.99</b>

**5 Long-term borrowings (secured)**

	As at 31 March 2024	As at 31 March 2023
Term loans		
from bank [refer note 5(a)]	123.51	166.19
Vehicle loans		
from Non-banking finance company (NBFC) [refer note 5(b)]	-	-
	<b>123.51</b>	<b>166.19</b>



**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

**5 (a). Details of security and terms of repayment of term loans**

Nature of loan	Lender	As at 31 March 2024		As at 31 March 2023		Nature of securities	Interest rate	Tenure of repayment
		Non-Current	Current	Non-Current	Current			
Term loan from bank (in ₹ Lakhs)	Kotak Mahindra Bank	117.25	37.92	155.17	34.39	- First and exclusive charge on all present and future current assets and fixed assets of the borrower - Extension of equitable mortgage of the following properties: - Residential property number 273 situated at Master Mota Singh Nagar, Jalandhar owned by Iqbal Singh Chatha and Marjit Singh Chatha s/o Sh. Hari Singh; - Residential property number 271 situated at Master Mota Singh Nagar, Jalandhar owned by Paramjit Singh Chatha; - Commercial property SCF number 305, Motor Market, Manimajra, Chandigarh owned by Gurcharan Singh Gosai; - Industrial property khata number 35/124 village Chaudheri, tehsil derabassi owned by the Company, Industrial property owned in Kartarpur by Mr. Paramjit Singh Chatha - The term loan is also secured by personal guarantee of Iqbal Singh Chatha, Gurpreet Singh Chatha, Gurpreet Chatha, Paramjit Singh Chatha, Gurcharan Singh Gosai and Marjit Singh Chatha.	Repo Rate + 4.5%	The loan is payable in 68 equal monthly instalments of ₹ 4.28 lacs & 1 last instalment of ₹ 21.53 lacs
Working capital term loan from Bank (in ₹ Lakhs)	Kotak Mahindra Bank	-	11.02	11.02	55.64		Repo Rate + 4.5%	48 equal monthly instalments of ₹ 4.91 lacs
Working capital term loan from Bank (in ₹ Lakhs)	Kotak Mahindra Bank	-	-	-	123.34		Repo Rate + 4.5%	69 equal monthly instalments of ₹ 13.41 lacs and last instalments of ₹ 7.11 lacs.
Term loan from bank (in 1 Lakhs) (Sanction Amount - 100 Lakhs) (Disburse - 8.92 Lakhs)	Kotak Mahindra Bank	6.26	1.57	-	-		Repo rate + 3.25%	59 equal monthly instalments of ₹ 0.18 lacs, and last instalment of ₹ 0.17 lacs.
		<b>123.51</b>	<b>50.51</b>	<b>166.19</b>	<b>213.38</b>			

**5 (b). Details of security and terms of repayment of vehicle loans:**

Nature of loan	Lender	As at 31 March 2024		As at 31 March 2023		Nature of securities	Interest rate	Tenure of repayment
		Non-Current	Current	Non-Current	Current			
Vehicle loan	Kotak Mahindra Prime Limited	-	-	-	3.95	Against hypothecation of specific vehicles purchased out the proceeds of loans	Range of 10% p.a. to 14% p.a. (previous year range of 10% p.a. to 14% p.a.)	Honda city - from 24 Feb 2021 to 5 Feb 2024 Fortuner - from 16 Oct 2018 to 1 Oct 2023
Vehicle loan		-	-	-	3.29			
		<b>-</b>	<b>-</b>	<b>-</b>	<b>7.23</b>			

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

**6 Deferred tax liabilities (net)**

	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liabilities arising on account of:</b>		
Timing difference on depreciation of property, plant and equipment	363.80	367.18
	<b>363.80</b>	<b>367.18</b>
<b>Deferred tax assets arising on account of:</b>		
Provision for employee benefits	67.76	55.27
Provision for bonus	10.32	8.23
Brought forward losses and unabsorbed depreciation		26.47
Expenses to be allowed u/s 35D	40.85	-
	<b>118.93</b>	<b>89.97</b>
<b>Deferred tax liabilities (net)</b>	<b>244.88</b>	<b>277.22</b>

**7 Long-term provisions**

	As at 31 March 2024	As at 31 March 2023
Provision for gratuity [refer note 7 (a)]	149.14	131.16
Provision for compensated absences [refer note 7 (b)]	56.33	49.37
	<b>205.47</b>	<b>180.53</b>

**7 (a) Provision for gratuity**

The following table set out the status of the plan for gratuity and as required under Accounting Standard (AS) - 15 (R) - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation in respect of gratuity:

Particulars	As at 31 March 2024	As at 31 March 2023
i) Gratuity Based on actuarial assumptions		
<b>I. Actuarial assumptions</b>		
Mortality	IALM 2012-14	IALM 2012-14
Discount rate	7.25%	7.50%
Salary growth rate p.a.	6.00%	6.00%
Expected rate of return on planned assets	0	0
Withdrawal rates p.a.	5.00%	5.00%
<b>II. Funded Status of the plan</b>		
Present value of unfunded obligations	175.48	144.17
Present value of funded obligations		
Fair Value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	175.48	144.17
	<b>175.48</b>	<b>144.17</b>

**Notes :**

- 1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
- 2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

## Notes to the financial statements

(All amounts are in ₹ lakhs unless stated otherwise)

Amount of provision for gratuity for the current year and previous years are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Current year</b>		
Defined benefit obligation	175.48	144.17

## 7 (b) Provision for compensated absences

Particulars	As at 31 March 2024	As at 31 March 2023
<b>I. Actuarial assumptions</b>		
Mortality	IALM 2012-14	IALM 2012-14
Discount rate	7.25%	7.50%
Salary growth rate p.a.	6.00%	6.00%
Expected rate of return on planned assets	0	0
Withdrawal rates p.a.		
25 years and above	5.00%	5.00%
<b>II. Funded Status of the plan</b>		
Present value of unfunded obligations	68.07	54.50
Present value of funded obligations	-	-
Fair Value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	68.07	54.50
	<b>68.07</b>	<b>54.50</b>
<b>III. Profit and loss for the period</b>		
Present value of obligations at beginning of the year	144.17	112.35
Current service cost*	25.02	18.84
Interest on obligations	10.81	8.15
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(0.91)	12.17
Recognised Past Service Cost-Vested	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expenses'	34.92	39.15
<b>IV. Reconciliation of defined benefit obligation</b>		
Opening Defined Benefit Obligation	-	-
Transfer in/(out) obligation	-	-
Current service cost	25.02	18.84
Interest cost	10.81	8.15
Actuarial loss (gain)	(0.91)	12.17
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefit paid from fund	-	-
Benefits paid by company	-	-
Closing Defined Benefit Obligation	-	-

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>V. Reconciliation of net defined benefit liability</b>		
Net opening provision in books of accounts	-	-
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expenses as per 3.2	-	-
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	-	-

**8 Short-term borrowings**

	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Current maturities of long-term borrowings [refer note 5(a) & 5(b)]	50.51	220.62
Cash credits [refer note (a) and (b) below]	363.51	403.38
Working capital loan [refer note (b) below]	270.00	270.00
	<b>684.02</b>	<b>894.00</b>

**a. Details of security of short-term borrowings**

Cash credit facilities and working capital demand loan taken from Kotak Mahindra Bank are secured by first and exclusive charge on all present and future current assets and fixed assets of the borrower, extension of equitable mortgage of the following properties - Residential property number 273 situated at Master Mota Singh Nagar, Jalandhar owned by Iqbal Singh Chatha and Manjit Singh Chatha s/o Sh. Hari Singh; Residential property number 271 situated at Master Mota Singh Nagar, Jalandhar owned by Paramjit Singh Chatha; Commercial property SCF number 305, Motor Market, Manimajra, Chandigarh owned by Gurcharan Singh Gosal; Industrial property khata number 35/124 village Chaudheri, tehsil derabassi owned by the Company, industrial property owned in Kartarpur by Mr. Paramjit Singh Chatha. The cash credit is also secured by personal guarantee of Iqbal Singh Chatha, Gurpreet Singh Chatha, Paramjit Singh Chatha, Gurcharan Singh Gosal, and Manjit Singh Chatha.

**b. Terms of repayment and interest rates**

Cash credit from Kotak Mahindra bank amounting to ₹ 363.51 lacs (previous year ₹ 403.38 lacs) carrying interest rate 3.25% over the Repo rate (previous year 4.25% over the Repo rate). Secured loan from Kotak Mahindra Bank amounting to ₹ 270 lakhs (previous year ₹ 270 lacs) carrying interest rate 3.25% over the Repo rate (previous year 8%) repayable in three months.

The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.

**9 Trade payables**

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	73.09	92.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	946.04	1,035.91
	<b>1,019.13</b>	<b>1,128.29</b>

## Notes to the financial statements

(All amounts are in ₹ lakhs unless stated otherwise)

Note:

**a. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006**

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount remaining unpaid	73.09	92.38
Interest accrued and due thereon remaining unpaid	0.71	6.58
Interest paid by the Company in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006.	-	-
Interest accrued and remaining unpaid as at the end of the year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	10.01	9.30

**9 Trade payables (Contd.)**

Ageing schedule as at 31 March 2024:	Outstanding for following periods from due date of payment							
	Unbilled Dues	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Micro and small enterprises	-	73.09	-	-	-	-	-	73.09
Others	-	533.67	407.70	3.57	1.05	-	-	945.99
<b>Total</b>	-	<b>533.67</b>	<b>480.79</b>	<b>3.57</b>	<b>1.05</b>	-	-	<b>1,019.08</b>

Ageing schedule as at 31 March 2023:	Outstanding for following periods from due date of payment							
	Unbilled Dues	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Micro and small enterprises	-	72.05	29.63	-	-	-	-	92.38
Others	-	690.06	345.12	0.67	0.06	-	-	1,035.91
<b>Total</b>	-	<b>762.11</b>	<b>374.75</b>	<b>0.67</b>	<b>0.06</b>	-	-	<b>1,128.29</b>

**10 Other current liabilities**

	As at 31 March 2024	As at 31 March 2023
Advance from customers	2.79	1.68
Creditors for capital expenditure	34.83	94.11
Statutory dues	67.99	91.65
Interest accrued but not due on borrowings	5.65	3.69
Expenses payable	17.70	10.92
Employee related payables (Also refer note 29 for related party transaction)	92.86	65.21
	<b>221.82</b>	<b>267.26</b>

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

**11 Short-term provisions**

	As at 31 March 2024	As at 31 March 2023
Provision for gratuity [refer note 7(a)]	26.34	13.01
Provision for income tax (net of advance tax)	-	5.97
Provision for compensated absences [refer note 7(b)]	11.74	5.13
Provision for bonus	37.10	29.58
	<b>75.18</b>	<b>53.69</b>

**12 Property, plant and equipment**
**As at 31 March 2024**

Particulars	Gross block				Accumulated depreciation					Net block	
	As at 1 April 2023	Additions during the year	Sales / adjustment during the year	As at 31 March 2024	As at 1 April 2023	Adjus- tment	Charge for the year	Sales / Adjustment during the year	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
<b>Property, plant and equipment</b>											
Land	31.76	-	-	31.76	-	-	-	-	-	31.76	31.76
Building	802.43	1.68	-	804.11	261.27	-	25.50	286.77	517.34	541.16	
Plant and machinery	4,295.85	147.46	-	4,443.31	2,064.93	-	235.19	-	2,300.12	2,143.19	2,230.92
Furniture and fixtures	27.00	2.81	-	29.81	18.39	-	1.53	-	19.92	9.89	8.61
Office equipments	65.14	10.67	-	75.81	51.91	-	5.73	-	57.64	18.17	13.23
Vehicles	112.51	-	-	112.51	68.71	-	11.47	-	80.18	32.33	43.81
Intangible Assets	-	0.60	0.60	-	-	0.11	-	0.11	0.49	-	
<b>Total</b>	<b>5,334.69</b>	<b>163.23</b>	<b>-</b>	<b>5,497.90</b>	<b>2,465.21</b>	<b>-</b>	<b>279.53</b>	<b>-</b>	<b>2,744.74</b>	<b>2,753.17</b>	<b>2,869.48</b>

**As at 31 March 2023**

Particulars	Gross block				Accumulated depreciation					Net block	
	As at 1 April 2022	Additions during the year	Sales / adjustment during the year	As at 31 March 2023	As at 1 April 2022	Adjus- tment	Charge for the year	Sales / Adjustment during the year	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>Property, plant and equipment</b>											
Land	31.76	-	-	31.76	-	-	-	-	-	31.76	31.76
Building	802.43	-	-	802.43	235.89	(15.74)	25.38	-	261.27	541.16	566.54
Plant and machinery	4,279.84	129.65	113.63	4,295.85	1,868.45	18.44	231.18	34.69	2,064.93	2,230.92	2,411.39
Furniture and fixtures	26.13	0.87	-	27.00	17.09	-	1.30	-	18.39	8.61	9.04
Office equipments	56.37	8.77	-	65.14	48.35	(0.33)	3.56	-	51.91	13.23	8.02
Vehicles	112.51	-	-	112.51	55.59	(2.37)	13.12	-	68.71	43.81	56.93
<b>Total</b>	<b>5,309.04</b>	<b>139.29</b>	<b>113.63</b>	<b>5,334.69</b>	<b>2,225.37</b>	<b>0.00</b>	<b>274.54</b>	<b>34.69</b>	<b>2,465.21</b>	<b>2,869.49</b>	<b>3,083.68</b>

Notes:

- Refer note 5 for information on PPE pledged as security by the Company.
- The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.

## Notes to the financial statements

(All amounts are in ₹ lakhs unless stated otherwise)

## 13 Long-term loans and advances

	As at 31 March 2024	As at 31 March 2023
(unsecured considered good, unless otherwise stated)		
Capital Advances	140.03	1.63
Balances with statutory and government authorities	-	-
Minimum Alternate Tax (MAT) credit entitlement [refer note (b) below]	218.26	306.09
	<b>358.29</b>	<b>307.72</b>

## a Minimum alternate tax (MAT) credit entitlement

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at beginning of year	306.09	250.16
Add: MAT credit entitlement created/(set off) during the year	(87.83)	55.91
Balance at end of period	<b>218.26</b>	<b>306.07</b>

- b The Company does not have any loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

## 14 Other non-current assets

	As at 31 March 2024	As at 31 March 2023
(unsecured considered good, unless otherwise stated)		
Security deposits	35.05	28.66
	<b>35.05</b>	<b>28.66</b>

## 15 Inventories

	As at 31 March 2024	As at 31 March 2023
Raw materials including packaging materials	622.85	424.31
Work-in-progress	192.38	29.11
Finished products	317.62	437.71
Stores, spares and other consumables	43.69	25.74
	<b>1,176.54</b>	<b>916.87</b>

## 16 Trade receivables

	As at 31 March 2024	As at 31 March 2023
(unsecured considered good, unless otherwise stated)		
-Considered good	1,128.43	959.26
-Considered doubtful	-	-
	1,128.43	959.26
Less: Provision for doubtful debts	-	-
	<b>1,128.43</b>	<b>959.26</b>

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

**16 Trade receivables (Contd.)**
**Ageing schedule as at 31 March 2024:**

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled Dues	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	766.44	320.63	2.52	38.84	-	-	1,128.43
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>766.44</b>	<b>320.63</b>	<b>2.52</b>	<b>38.84</b>	<b>-</b>	<b>-</b>	<b>1,128.43</b>

**Ageing schedule as at 31 March 2023:**

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled Dues	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	897.33	60.28	1.36	0.29	-	-	959.26
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>897.33</b>	<b>957.61</b>	<b>1.36</b>	<b>0.29</b>	<b>-</b>	<b>-</b>	<b>959.26</b>

**17 Cash and cash equivalents**

Particulars	As at 31 March 2024	As at 31 March 2023
- Cash in hand	9.33	0.87
Balances with banks		
- in current account	495.36	8.45
	504.69	9.32
Other bank balances:		
Deposit with maturity more than 3 months but less than 12 months *	2,308.06	6.72
	<b>2,812.75</b>	<b>16.04</b>



## Notes to the financial statements

(All amounts are in ₹ lakhs unless stated otherwise)

## 18 Short-term loans and advances

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
Advances to suppliers	11.85	19.66
Prepaid expenses	4.28	5.59
Advances to employees	20.51	18.65
Security deposits*	34.00	-
Other Current Assets	0.38	0.36
Income tax refundable	15.50	
	<b>86.52</b>	<b>44.26</b>

\*Security deposits include security with BSE Limited which is refundable . Hence, the same is considered to be short term.

## 19 Revenue from operations

	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products	13,310.84	11,417.62
Sale of Service	69.09	305.15
	<b>13,379.93</b>	<b>11,722.77</b>

## 20 Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income:		
- on deposit with electricity department	1.48	0.98
- bank	1.78	0.48
	<b>3.27</b>	<b>1.46</b>

## 21 Cost of materials consumed

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock		
Raw material	424.31	373.38
Stores, spares and other consumables	25.74	32.16
Add: Purchases made during the year	9,799.87	8,933.22
	<b>10,249.92</b>	<b>9,338.76</b>
Less: Closing stock		
Raw material	622.85	424.31
Stores, spares and other consumables	43.69	25.74
	<b>9,583.38</b>	<b>8,888.71</b>

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

**22 Changes in inventories of finished goods and work-in-progress**

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening stock</b>		
Work-in-progress	29.11	10.20
Finished goods	437.71	252.53
<b>Closing stock</b>		
Work-in-progress	192.38	29.11
Finished goods	317.62	437.71
	<b>(43.17)</b>	<b>(204.09)</b>

**23 Employee benefits expense**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	1,082.73	869.48
Contribution to provident and other funds	125.74	117.04
Staff welfare expenses	46.76	73.35
	<b>1,255.23</b>	<b>1,059.87</b>

**24 Finance costs**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on loan from Banks	84.87	89.89
Others	0.91	7.52
	<b>85.78</b>	<b>97.41</b>

**25 Depreciation expense**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation (refer note 12)	279.53	274.54
	<b>279.53</b>	<b>274.54</b>

## Notes to the financial statements

(All amounts are in ₹ lakhs unless stated otherwise)

## 26 Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Insurance	7.28	10.28
Rent	-	13.17
Freight and forwarding	84.11	62.01
Rates and taxes	15.93	7.43
Legal and professional (Note)	44.41	54.57
Advertisement and publicity	34.11	55.22
Power, fuel and water charges	424.84	358.57
Repair and maintenance - Plant and machinery	131.94	138.91
Effluent Treatment Plant- Maintenance Expenses	44.13	38.51
Travelling and Conveyance	70.24	65.46
Loss on sale/disposal of property, plant and equipment	-	27.62
Bad debts written off	-	21.38
Quality control and quality assurance	156.19	141.02
Warehousing Expenses	186.75	139.89
Security Expenses	61.54	51.61
Miscellaneous Expenses	105.12	85.15
	<b>1,366.59</b>	<b>1,270.80</b>

Note :

	For the year ended 31 March 2024	For the year ended 31 March 2023
Payment to statutory auditors excluding goods and service tax:		
Statutory Auditor	10.50	14.50
Tax Audit fees	0.50	1.50
Other service cost (Certification cost)	10.00	-
	<b>21.00</b>	<b>16.00</b>

## 27 Earnings/(Loss) per share

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Accounting Standard (AS-20) on "Earning Per Share" as specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders'. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit after tax	616.68	245.20
Total number of Equity shares outstanding	224.97	165.35
Weighted average number of equity shares outstanding	166.33	165.35
Face value per equity share (₹)	10.00	10.00
Earning per share		
Basic	3.71	1.48
Diluted	3.71	1.48

The company have approved the issuance of 41,33,720 bonus Equity Shares in the ratio of one Equity Share for every three existing fully paid up Equity Share on 13-09-2023. New Bonus Equity Shares have been considered for the computation of both Basic & Diluted EPS in accordance with para 20 of AS 20: Earning Per share issued by ICAI for all periods presented

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

**28 Capital commitments**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Capital commitment	140.03	1.63
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

**29 Related party disclosure**

In accordance with the requirements of Accounting Standard - 18 'Related Party Disclosures' the names of the related party where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and period end balances with them as identified and certified by the management are given below:

**I Name of the related parties and description of relationship :**

Description of relationship	Name of the Party
<b>A</b> Entities which exercise significant influence over the Company	Rajasthan Asset Management Company Private Limited - SME Tech Fund (Till on 11th July 2023)
<b>B</b> Key management personnel	Paramjit Singh Chatha Gurpreet Chatha Gurcharan Singh Gosal Iqbal Singh Chatha (classified as non promoter w.e.f 08/09/2023) Ravi Mathur (resigned w.e.f 15.07.2023) Navit Kumar (resigned on 31.07.2023) Vishal Singh Sirmauria (w.e.f. 15.09.2023) Priyanka Oberoi (w.e.f. 15.09.2023) Nidhi (From 01.08.2023 to 15.09.2023) Purnachand Upadrashta (w.e.f. 11.09.2023) Chinmayee Swarup Deulgaonkar (w.e.f. 11.09.2023) Sanjiv Swarup (w.e.f. 22.01.2024)
<b>C</b> Relatives of Key Managerial Persons	Gurpal Gosal Umed Singh Jaskunwar Chatha

**II Transactions during the year**

The following transactions were carried out with related parties in the ordinary course of business for the year ended 31 March 2024 & 31 March 2023.

S No.	Particulars	For the period ended 31 March 2024	For the year ended 31 March 2023
		Key Management Personnel	Key Management Personnel
1	<b>Reimbursement of expenses</b>		
	Mr. Paramjit Singh Chatha	4.42	2.44
	Mr. Gurcharan Singh Gosal	1.27	1.83
	Mr. Gurpreet Singh Chatha	0.46	-
	Mr. Vishal Singh Sirmauria	0.20	-
	Mr. Jaskunwar Chatha	0.04	-
	Ms. Priyanka Oberoi	1.07	-

## Notes to the financial statements

(All amounts are in ₹ lakhs unless stated otherwise)

S No.	Particulars	For the period ended 31 March 2024	For the year ended 31 March 2023
		Key Management Personnel	Key Management Personnel
2	<b>Sale of goods</b>		
	Mr. Paramjit Singh Chatha	-	-
	Mr. Gurcharan Singh Gosal	-	-
	Mr. Gurpreet Singh Chatha	-	0.34
3	<b>Remuneration</b>		
	Mr. Paramjit Singh Chatha	60.00	37.50
	Mr. Gurpreet Singh Chatha	14.40	14.40
	Mr. Gurcharan Singh Gosal	9.67	9.67
	Mrs. Gurpal Gosal	7.62	7.62
	Mr. Vishal Singh Sirmauria (w.e.f 15/09/2023)	4.88	-
	Ms. Priyanka Oberoi	4.90	-
	Mr. Jaskunwar Chatha	9.60	9.60
	Ms. Nidhi	1.39	-
	Mr. Navit Kumar	0.14	3.25
	Mr. Umed Singh	5.81	5.81
4	<b>Director's Sitting Fees Paid</b>		
	Mr. Purnachand Upadrashta	1.35	-
	Ms. Chinmayee Swarup Deulgaonkar	1.20	-
	Mr. Sanjiv Swarup	0.75	-

## III Balance at the end of the year

S No.	Particulars	For the period ended 31 March 2024	For the year ended 31 March 2023
		Key Management Personnel	Key Management Personnel
1	<b>Remuneration payable</b>		
	Mr. Paramjit Singh Chatha	0.04	3.64
	Mr. Gurcharan Singh Gosal	0.80	0.70
	Mr. Gurpreet Singh Chatha	1.02	0.99
	Mr. Jaskunwar Chatha	0.37	0.76
	Mr. Vishal Singh Sirmauria	0.63	-
	Mr. Umed Singh	0.49	0.50
	Ms. Priyanka Oberoi	0.75	-
2	<b>Director's Sitting Fees Payable</b>		
	Mr. Purnachand Upadrashta	1.22	-
	Ms. Chinmayee Swarup Deulgaonkar	1.08	-
	Mr. Sanjiv Swarup	0.68	-

(All amounts are in ₹ lakhs unless stated otherwise)

**Notes to the financial statements**

**30 Financial Ratios**

S No.	Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2024		As at 31 March 2023		Remarks	Change	As at 31 March 2023		As at 31 March 2024	
					Ratio	As at 31 March 2023	Numerator	Denominator			Numerator	Denominator		
1	Current ratio	Times	Current assets	Current liabilities	2.60	0.83	1,936.42	2,000.15	Refer note (i)	214.86%	5,204.25	2,343.25	2,000.15	2,343.25
2	Debt-equity ratio	Times	Total debt [Long-term borrowings + Short-term borrowings]	Total equity	0.14	0.49	1,060.19	5,776.76	Refer note (ii)	-71.32%	807.53	2,175.10	5,776.76	2,175.10
3	Debt service coverage ratio	Times	Net Profit after tax + non-cash operating expenses like depreciation and other amortizations + interest+other adjustments like loss on sale of fixed assets,etc.	Current Debt Obligation (Interest + Installments)	9.50	8.69	618.54	99.49		9.32%	945.18	71.17	99.49	71.17
4	Return on equity ratio	Percentage	Net Profit after taxes - preference dividend (if any)	(Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	21.02%	11.95%		2,934.25	Refer note (iii)	75.92%	616.68	2,052.52	2,934.25	2,052.52
5	Inventory turnover ratio	Times	Total revenue from operations	(Opening Stock + Closing Stock)/2	12.78	14.79	11,722.77	1,046.70		-13.58%	13,379.93	792.57	1,046.70	792.57
6	Trade receivables turnover ratio	Times	Revenue from operations	(Beginning Trade Receivables + Ending Trade Receivables) / 2	12.82	13.68	11,722.77	1,043.84		-6.30%	13,379.93	856.95	1,043.84	856.95
7	Trade payables turnover ratio	Times	Purchases	(Beginning Trade Payables + Ending Trade Payables) / 2	9.13	8.27	8,933.22	1,073.71		10.40%	9,799.87	1,080.59	1,073.71	1,080.59
8	Net capital turnover ratio	Times	Total revenue from operations	Current Assets - Current Liability	4.18	-28.81	11,722.77	3,204.09	Refer note (iv)	-114.49%	13,379.93	(406.83)	3,204.09	(406.83)
9	Net profit ratio	Percentage	Profit after tax	Total revenue from operations	4.61%	2.09%	120.35%	13,379.93	Refer note (iii)	120.35%	616.68	11,722.77	13,379.93	11,722.77
10	Return on capital employed	Percentage	Profit before Interest and Taxes	Capital employed = Net Worth+ Total Debt	14.30%	13.43%	6.51%	6,584.29		6.51%	941.65	3,235.30	6,584.29	3,235.30

## Notes to the financial statements

(All amounts are in ₹ lakhs unless stated otherwise)

### Notes:

- (i) There is a significant change in Current Assets of the company because of capital introduction via public issue of fresh equity shares of the company during the year resulting in funds availability with the company and are parked in bank increasing the Cash/Bank balance under Current Assets heads. It has significantly changed the Current ratio for this period.
- (ii) There is a significant change in Equity of the company because of capital introduction via public issue of fresh equity shares of the company during the year. Simultaneously the debts has been reduced due to repayment of loans by the company. These significant changes have resulted in change of Debt-equity ratio for current period.
- (iii) The change in ration is due to increase in profits and Equity of the company and the contributing factors for this change are as given below:(a) The supply chain disruption in RM/PM has settled down and the company was able to source raw material at better prices.(b) The copmany has been able to introduce new customers and segments at better terms.(c) The increase in revenue and has helped to get the benefit of economies of scale contributing to better profits.(d) The Equity of the company has changed because of capital introduction via public issue of fresh equity shares of the company during the year.
- (iv) The increase is primarily attributable to the increase in Current Assets of the company because of capital introduction via public issue of fresh equity shares of the company during the year resulting in funds availability with the company and funds available with the company are parked in bank increasing the Cash/Bank balance under Current Assets heads. It has significantly changed the Net Capital turnover ratio for this period.

### 31 Details of consumption of raw materials:

	For the period ended 31 March 2024		For the year ended 31 March 2023	
	Amount	Percentage	Amount	Percentage
<b>Raw material consumed</b>				
Indigenous	9,583.38	100.00%	8,888.71	100.00%
	<b>9,583.38</b>	<b>100.00%</b>	<b>8,888.71</b>	<b>100.00%</b>

### 32 Leases

#### Operating leases

The Company is a lessee under a cancellable operating lease. Rental expense for operating lease for the years ended 31 March 2024 and 31 March 2023 was ₹ Nil lacs and ₹ 13.17 lacs respectively.

- 33 The Company's main business is the manufacturing of ready to eat meat products, Vegetarian and vegan foods which as per Accounting Standard – 17 on "Segment Reporting" as prescribed under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India is considered to be the only reportable segment. The Company is primarily operating in India which is considered as a single geographical segment.
- 34 The Company is primarily engaged in the business of manufacture frozen and ready to eat meat, vegetarian and vegan foods manufacturer and retails an array of ready to eat and frozen meat and vegan products under the brand "Tempter" and "The Field Grill". The Company is the largest supplier of frozen chicken products to Domino's, Subway, Café Coffee Day and several other leading quick service restaurants in India.and thus, it operates in a single primary segment.The major revenue of company is from one geographical location which is considered to be the only reportable geographical segment. The disclosures as per Accounting Standard (AS) 17 on Segment Reporting are not applicable to the company.
- 35 The Company does not have any contingent liability at end of the year as indentified by the management.
- 36 The Code of Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Company will evaluate the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

### 37 Additional regulatory information required by Schedule III :

- a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
  - (i) 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

**Notes to the financial statements**

(All amounts are in ₹ lakhs unless stated otherwise)

- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (b) The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
    - (i) 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
    - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - (d) 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.
  - (e) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
  - (f) The company has not incurred any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended as at 31 March 2023 and 31 March 2024.
  - (g) The Company does not have any charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
  - (h) The Company has no such layers as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. Hence, the said clause is not applicable to the Company.
  - (i) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
  - (j) Money raised by way of term loans were applied for the purposes for which these were obtained.
  - (k) 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 at year ended 31 March 2024.
  - (l) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
  - (m) The Company does not have any advances in the nature of loans during the year.
- 38** Previous year figures have been regrouped/recasted, wherever considered necessary to make them comparable with those of the current year.
- 39** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company raised money by way of initial public offering and , moneys raised by way of initial public offer during the year, have been, prima facie, applied by the Company for the purposes for which they were raised. However, some portion of the amount raised, which remain unutilised at the year end, have been invested in bank deposits as on March 31, 2024.

(Amount in lac)

S.no	Original Objects	Original Allocation of amount raised	Funds Utilized	Amount invested in bank deposits
1	Setting up of New Facility	2,411.03	122.25	2,288.78
2	General Corporate Purposes	446.98	34.00	412.98
3	IPO Issue Expenses	480.71	368.81	111.90
	<b>Total</b>	<b>3,338.72</b>	<b>525.06</b>	<b>2,813.66</b>

**For A Bafna & Co,**  
**Chartered Accountants**  
**Firm's Registration No.:003660C**

**Vivek Gupta**  
**Partner**  
**Membership No. 400543**

**Place:** Chandigarh  
**Date:** 28/05/2024

**For and on behalf of the Board of Directors of**  
**Chatha Foods Limited**  
 (Formerly Known as Chatha Foods Private Limited)

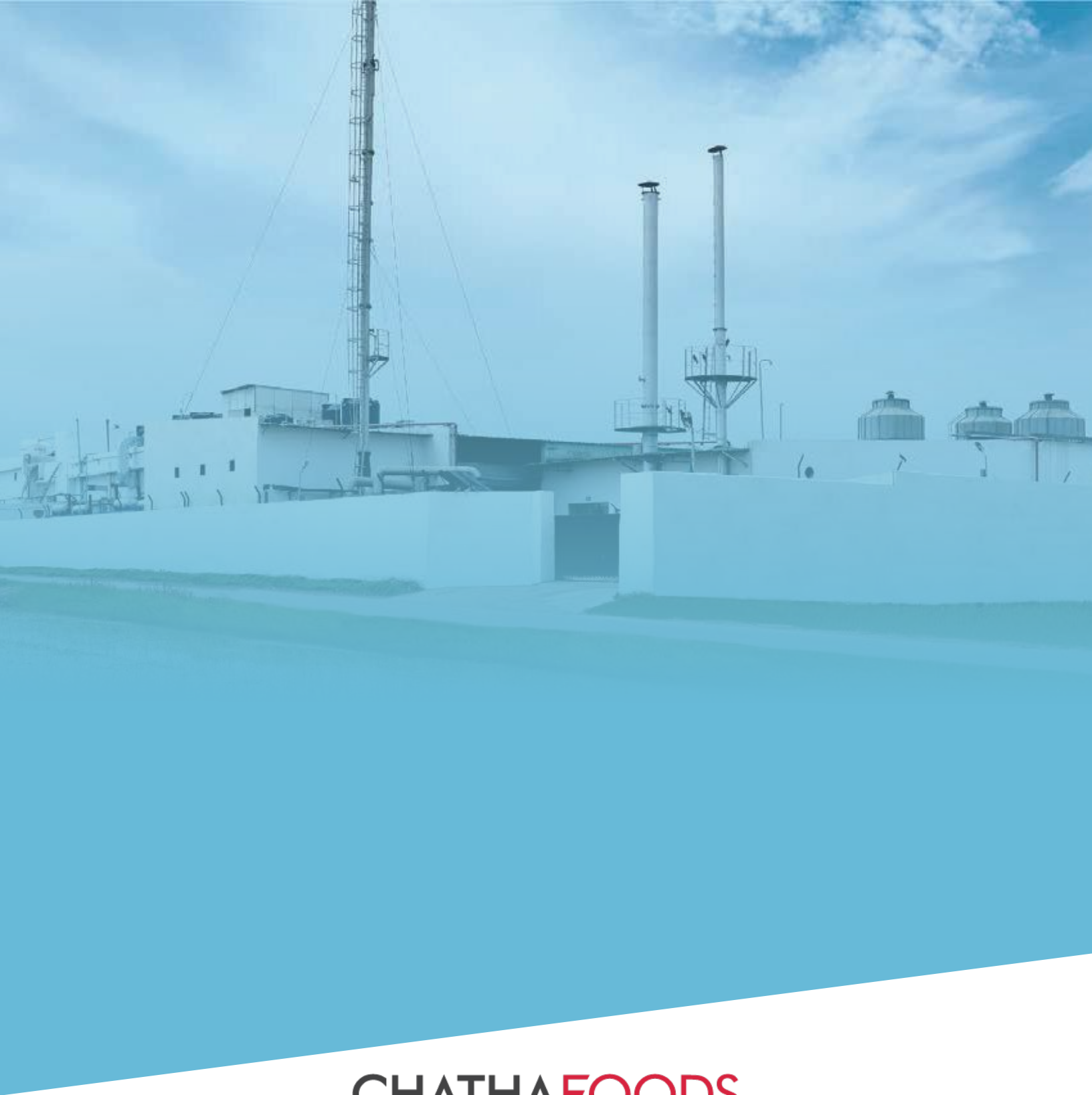
**Paramjit Singh Chatha**  
**Managing Director**  
 (DIN No: 01154225)

**Gurcharan Singh Gosal**  
**Director**  
 (DIN No: 01389179)

**Priyanka Oberoi**  
**Company Secretary**  
 (Membership No: A32400)

**Vishal Singh Sirmauria**  
**Chief Financial Officer**





# CHATHA **FOODS**

PROCESSED & FROZEN FOOD

## REGISTERED OFFICE

272, Mota Singh Nagar, Jalandhar, Punjab-144001

## CORPORATE OFFICE

Village Chaundheri, P.O. Dappar, Chandigarh- Ambala  
Highway, Distt- SAS NAGAR, Punjab 140506