Ref No.: PSL/2021-22/CS/SE/28

Date: 14th July, 2021

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

Dear Sir/Madam,

Sub: Submission of Annual Report for the year 2020-21 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that 12th Annual General Meeting of the Company is scheduled to be held on Thursday, 5th August, 2021 at 03:30 p.m. IST, through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the year 2020-21 along with the Notice of 12th Annual General Meeting of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Prataap Snacks Limited**

Om Prakash Pandey
Company Secretary and Compliance Officer

Encl: As above

AVADH Rich Feast

Overcoming Challenges.
Optimising Opportunities.

PRATAAP SNACKS LIMITED
ANNUAL REPORT
2020-21

Yellow Diamond®
Dildaar hain hu♡

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Forward-Looking Statement

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

To view this report online and to know more about us, please visit:
www.yellowdiamond.in

Overcoming Challenges. **Optimising** Opportunities.

> In the middle of every difficulty lies an opportunity.
>
> - Albert Einstein

Challenges are what make life interesting. Overcoming them is what makes life meaningful.

It requires strategy, courage, conviction, perseverance and passion for a company to overcome the challenges it faces. But to win consistently, be distinctive, and leverage the opportunities coming one's way, it requires a far-sighted vision and an over-arching ambition.

That is what distinguishes the winners in any race. Being a company that solves new challenges in newer ways. Being a company that not just survives but thrives in the new change environment. Being a company that is making most of the opportunities of the future.

At Prataap Snacks, we have built our business on sound fundamentals that gives us enough room to tackle unprecedented situations and challenging situations, such as COVID-19. We are building differentiated capabilities and focussing on pursuing our strategies and strides. We are adapting to fast-paced change, pursuing the path to become more efficient, leaner and faster, and gaining the ability to combat the challenges with minimal impact, thus setting the momentum for sustained progress.

Standing out in a crowded market

Countless tastes and flavours

Prataap Snacks is a leading Indian snacks food company, offering multiple variants of products across categories of Potato Chips, Extruded Snacks, Namkeen (traditional Indian snacks) and Pellets under the popular and vibrant Yellow Diamond brand. We are one of the fastest growing companies in the organised snacks industry.

We entered the Gujarat market and further diversified our portfolio through the acquisition of Avadh Snacks Private Limited, the fourth-largest snacks player in Gujarat. We also launched a range of sweet snacks under the "Rich Feast" brand, offering Cookie Cakes, Yum Cakes, Chocolate Vanilla Cakes, Cup Cake, Tiffin Cake and Sandwich Cake, primarily targeted at children.

Delivering high quality at real value

We sell approximately 11 million packets every single day and continue to remain focussed on offering deep value to our consumers through a variety of pack sizes at attractive price points. Our products are present in 27 states and 4 union territories in India, spread across the length and breadth of India.

Our brand

We are a national brand that stands for great taste, high quality, hygienically processed and packed, and affordably priced. We pride ourselves in being Indian, catering to regional tastes and flavours.

Staying ahead of the curve

Over the years, we have built a strong business with the right taste and products, and our capabilities in innovation. With our ethos of supplying more snacks per pack and with a motto of not compromising on taste and quality, we deliver value-based products – from Chulbule to Fungroo and Scoops.

Key Snacks Categories

Chips

Namkeens

Extruded snacks (Shaped)

Extruded snacks (Random)

Pellets

Sweet snacks

Defining Prataap Snacks in numbers

Selling approx.
11 Million packets
(on an average) every day

Manufacturing Facilities
14
6 owned, 8 contract manufacturing plants

100+
Stock Keeping Units

Serving over
1.7 Million
Retail Touchpoints

States Union Territories
27+4
Across India

240+
Super Stockists

4,300+
Distributors

Our corporate journey

2003

- Prakash Snacks incorporated
- Commenced trading in Cheese Balls

2005

- Set up a plant to manufacture Potato Chips in Indore

2007

- Installed Chulbule plant at Prakash Snacks in Indore

2009

- Incorporated Prataap Snacks

2010

- Set up a Potato Chips plant at Indore

2011

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

2012

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

2013

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

2014

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

2015

- Introduction of Yoodles and Creamy Sticks

2016

- Increased the capacity of Chulbule and Rings plant at Indore

2017

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

2018

- Successful IPO – oversubscribed 47x; listed on NSE & BSE on Oct 5, 2017
- Launch of Kurves, Nachos in Salty Snacks and Yum-Pie in Sweet Snacks
- Entered into 3P Contract Manufacturing at Ahmedabad, Kolkata-2 and Bengaluru-2

2019

- Entered into 3P Contract Manufacturing in Karjat and Kashipur
- Acquired 80% stake in Avadh Snacks Private Limited

2020

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

2021

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

Our performance in FY2021

Financial Highlights

₹1,17,109 Lakhs

Revenue

₹1,416 Lakhs

PAT

15%

7-year Revenue CAGR

₹6,307 Lakhs

Operating EBITDA

₹62,312 Lakhs

Networth

₹0.50 per equity share
(10% of Face Value)

Dividend Pay-out

Key Business Highlights

- Diversified product offerings through the launch of Plain Cut Chips, Rusk and Foochka
- Undertook cost optimisation initiatives and adopted the direct distribution model
- Initiated Tele-Calling with stockists and dealers to replenish stocks faster
- Acquired 10.48% further stake in Avadh Snacks Private Limited, taking the total stake to 90.48%
- Expanded 50% capacity of Avadh existing facility at Rajkot, Gujarat
- Converted 3P facility into owned in Bengaluru, Karnataka

Ability to tailor products that deliver value

Our diverse portfolio at strategic price points and packs

AVADH

RICH FEAST

YELLOW DIAMOND

Yellow Diamond

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Chairman's Message to Shareholders

> THESE CHALLENGES WERE TEMPORARY IN NATURE AND WE ARE CONFIDENT THAT WE WILL REBOUND STRONGLY AS THE RESTRICTIONS IN VARIOUS STATES AND REGIONS HAVE BEEN EASED AND AS THE COMMODITY CYCLE REVERSES. THE STRUCTURAL IMPROVEMENTS UNDERTAKEN WILL ACCRUE MORE LONG-LASTING BENEFITS WHICH, ALONG WITH THE HEALTHY BALANCE SHEET WILL HELP US TO ELEVATE THE GROWTH TRAJECTORY AND PERFORMANCE METRICS GOING FORWARD.

Dear Shareholders,

The year gone by has been extraordinary by any measure. The external challenges of the COVID-19 pandemic, increase in the cost of raw material and other adverse operating conditions prevailing through the year led to internal disruptions. Economic conditions were uncertain and customer sentiments ebbed and flowed with each passing week and month.

The two waves of COVID-19 has undeniably caused catastrophic global upheaval during FY2021. It is believed that the changes forced upon humanity are unlikely to be reversed, presenting us with a new normal. Its impact on India too has been largely disruptive in terms of economic activity. These are difficult times, but great disruptions often present greater opportunities, and serve as inflection points to bring out the best in each one of us.

It has been several months since the pandemic engulfed the world, and yet, there remains uncertainty regarding medium and long-term impact of this crisis, and the likely shape and pace of the recovery.

A challenging year

The broader economy as well as several industries faced considerable changes, following severe and extended lockdowns, restrictions on manufacturing units, social distancing norms and store closures. The year of unprecedented challenges due to the pandemic and the consequent nationwide lockdown impacted our operations in all geographies. Even though the FMCG industry faced a situation of largely resilient customer demand, it was impacted by shutting down of manufacturing plants, with the ongoing pandemic and the second wave of COVID-19 in 2021. As things stand now, the scale, speed and spread of the second wave of COVID-19, and the possibility of its third wave has once again given a push-back to the economy.

At Prataap Snacks, we have aligned ourselves with speed and agility to these fast-paced changes and quickly moved to stabilise operations and ensure business continuity. It took relatively longer to recommence operations at our mother plant, which comprises 50% of total capacity as Indore was a designated hot spot and in the containment zone for COVID-19. However, our Guwahati plants and our wide network of 3P facilities served us well and enabled us to resume production at these locations.

Combating the challenge

The second wave presented new challenges, but this time we were better prepared, resulting in lesser disruptions across operations. We remained focussed on restoring normalcy in business operations while positioning ourselves to capitalise on increased customer acceptance of alternate channels for go-to-market.

These challenges were temporary in nature and we are confident that we will rebound strongly as the restrictions in various states and regions have been eased and as the commodity cycle reverses. The structural improvements undertaken will accrue more long-lasting benefits which, along with the healthy balance sheet will help us to elevate the growth trajectory and performance metrics going forward.

During the year under review, on-the-go demand continued to be subdued as schools and transport channels, which are the key drivers, continue to remain closed. Urban centres remained weak due to various restrictions imposed. However, reverse migration has helped move consumption trends to India's smaller cities helping in brisk sale of packaged goods.

Performance in FY2021

Our performance in FY2021 was impacted by two significant external challenges – first was the pandemic-led disruption that impacted sales volumes as outdoor and social activities continue to remain muted. Secondly, the adverse cyclicality in input prices placed significant pressure on profitability. Palm oil, a major raw material component, experienced a rise of 30% during the year, compared to its full-year average price in FY2020. However, the ongoing cost optimisation and process re-engineering initiatives taken up by the Company helped us mitigate the impact of higher palm oil prices to a large extent.

Our Income from Operations stood at ₹ 1,17,109 lakhs. Operating EBITDA translated into a margin of 5.4%, while Profit After Tax recorded a margin of 1.2%.

Overcoming challenges, Optimising opportunities.

During challenging times, we capitalised on market recovery to deliver a healthy rebound in the second half of the year. We continued to maintain steady financial position with robust liquidity. Even during challenging times, our diverse product portfolio at strategic price points and pack sizes facilitated us in bearing the challenging environment.

At Prataap Snacks, we are further deepening our reach in the rural pockets to help us create some cushion for the shortfalls from the top urban centres. We shored up our efforts to get more distributors in India's smaller cities and towns. We have recouped with last year's performance primarily because we penetrated deeper in smaller towns and rural areas. We are also setting up a new facility in Kolkata to enhance our reach in the eastern markets of India, which is expected to become operational during FY2022.

Driving growth through Avadh

During the year, we acquired a further 10.48% stake in Avadh Snacks for an aggregate value of ₹ 3,300 lakhs. Post the aforesaid acquisition, our holding in Avadh Snacks stands increased to 90.48% of its paid-up equity share capital. With its unique business model, Avadh Snacks is a super value player offering higher value for money to its consumers.

Today, it is one of the fastest-growing and the fourth-largest snacks player in Gujarat, commanding approx. 6% market share in a state which is one of India's largest snacks markets. All its products and variants are a huge hit in the state. Avadh has managed to deliver 25% revenue CAGR over the past five years. In the fourth quarter of FY2021, even as brands continued to face challenging times owing to reduced economic activity and declining consumption, Avadh Snacks delivered double-digit growth year-on-year.

During the year, the capacity of Rajkot facility was increased by 50%. Moving ahead, we also plan to take Avadh products out of Gujarat to the neighbouring states of Madhya Pradesh, Maharashtra and Rajasthan. We plan to achieve this by leveraging the existing distribution network of Prataap Snacks. Additionally, we expect the brand to deliver good growth momentum in the coming years. On the reverse side, we also plan to exploit the synergies for Yellow Diamond products on the Avadh platform. As the two baskets complement each other, we foresee exciting opportunities to expand the Yellow Diamond products synergistically with Avadh and vice versa.

In Conclusion

Today, we continue to serve our consumers with high-quality, tasty, affordable and safe snacks offerings produced with native ingredients, catering to different regional tastes and flavours. Despite the current unpredictable environment, we remain upbeat about a positive market outlook. Reopening of schools, colleges and other educational institutions is expected to revive demand for FMCG products, which are primarily out-of-home consumption.

We are clearly defining the way forward for further improvement in our business performance, leading to greater profitability through a sharper consumer-focussed strategies, notwithstanding the short-term disruptions to the economy and industry, as a result of the COVID pandemic.

Though times are tough and unpredictable currently, we are confident of our ability to deliver growth and increase shareholder value in the coming year, as has been demonstrated over the years.

On this note, I would like to conclude by thanking all our consumers, trade partners, vendors, employees and shareholders, on behalf of Prataap Snacks, for your unwavering support and trust.

Thank You,

Arvind Mehta

Chairman and Executive Director

To our valued Shareholders

Tough times don't last. Tough companies do.

> WE REMAIN MINDFUL OF THE CHANGING TASTES OF MILLENNIALS. WE CONTINUED TO LEVERAGE OUR CAPABILITIES IN INNOVATION BY ADDING NEW CATEGORIES AND INTRODUCING NEW PRODUCTS.

Dear Shareholders,

The outbreak of COVID-19 and the associated lockdowns across countries triggered a once-in-a-century crisis for the society and the economy. This has been an absolutely defining period in the history of mankind and businesses.

But one thing is constant. Companies with quality leadership, sound business fundamentals, and a track record of winning in turbulent times, will emerge as champions in this new global order. It is desperate times like these that give rise to opportunities for people and businesses to stand up and shine. The greater the obstacle, the more glory in overcoming it.

We are ready for it, and remain confident that together we will yet again win and emerge stronger.

Overcoming challenges

Like most FMCG companies, we faced challenges on the labour and logistics front and on demand side due to the COVID-19 induced lockdown restrictions. Also, our plants were operational at lower-than-normal capacities, rendering it difficult for us to cater to the demand for our products.

During the year, our manufacturing operations remained shut for long periods of time. Our mother plant at Indore, which comprises 50% of total capacity as Indore was a designated hotspot and in the containment zone for COVID-19. This plant was shut almost for 2 months during the lockdown period and resumed operations in mid-May. However, we leveraged our distributed manufacturing facilities and managed to serve the demand.

Despite the macro-level uncertainties still existing in the market, we remained resilient and adopted several internal actions to strengthen our operations and fast-track our way to growth. We partially mitigated this challenge through continuous operational efficiencies. Even as production resumed, utmost measures were taken to ensure compliance of guidelines and safety of employees.

We continued our efforts on cost optimisation and process engineering to gain more value and to further improve our margins. We are confident that these initiatives and efforts will yield substantial benefits and will help us deliver better results.

Prataap Snacks today

Today, we are proud to be one of the leading packaged snacks maker. From being a company in central India, we have emerged into a formidable player in India's packaged snacks market. We are a large-scale snacks manufacturer, running 6 owned and 8 third-party manufacturing facilities and an extensive distribution network of super-stockists and distributors. We are a national brand with deep and widely spread distribution network spanning across 27 states and 4 union territories. We are the market leaders in the Rings category. We have combined global snacks with local tastes, under a single brand across all corners of India, while retaining several favourites from the range of Indian snacks.

Spike in prices of raw material

Besides the ongoing COVID times which resulted in demand slowdown, we also faced margin pressures due to a sharp spike in the prices of Palm Oil, a key raw material for our products. The tropical oil has been swept up in the global commodity rally as farm crops soared on weather worries and China's crop buying spree. The meteoric rise in the prices of palm oil, the world's most consumed edible oil, is adding to our costs. Our focus on driving efficiencies across our manufacturing processes and better operational practices helped us moderately alleviate the impact.

Optimising opportunities

We have designed a 3-tier distribution structure comprising of super stockists, distributors and retailers. This structure has shifted from the formative years of the company where our mother plant in Indore was located at the geographical centre of the country and we leveraged on low freight cost through reverse logistics to serve the rest of the country. We implemented a hub-and-spoke model through intermediaries like super stockists and distributors.

By adopting a direct distribution model, we are removing one layer of the distribution network and servicing the distributors directly. This helps optimise our distribution costs and support margin. Further, we are also in the process of establishing hubs across India to cater to proximate markets and enable us to implement our direct distribution strategy. We also look to increase our distribution presence in smaller towns and select Tier 2&3 cities.

In addition to the above, we also maintained our emphasis on customer connect through faster market replenishment and emphasis on popular flavours. Even as we hope for better macro-economic conditions, we continue to leverage market opportunities to fine-tune our operations and come out of these challenges unscathed. Further, we have also improved our coverage of customer touchpoints.

We have actively undertaken initiatives like tele-calling which has enabled us to enhance our distribution reach. A pilot of this model was initially introduced in 2019 and presently it has been expanded in few cities. This will be extended across our network in a steady manner. This initiative will play a pivotal role in sweating our existing distribution network. Another benefit that we foresee from this initiative is better range selling at the retail outlets.

Continuous innovation

We remain mindful of the changing tastes of millennials. We continued to leverage our capabilities in innovation by adding new categories and introducing new products. Our key objective is to leverage product innovation to combat competition from within the category as well as from other categories.

We launched Foochka with various innovative local flavours and Rusk, pushing the in-home consumption. In addition, we also test-launched plain cut chips with different flavours such as Chatpata, Piri-Piri, Salted and Sour Cream 'n' Onion. We cater to consumers seeking convenience in the form of better packaged snacks or bite-sized packs. We are also expanding our Sweet Snacks category to pursue an attractive opportunity and broad base our offerings, while attempting to capture greater economic value.

Consumer preference for packaged snacks

Moving ahead, as COVID-19 has deeply affected purchasing patterns, there is an expectation for expansion in consumer preference for packaged, hygienic and branded food products, which will benefit organised players, such as our Company. COVID-19 has emphasised the need for cleanliness and hygiene, and the preference for factory packaged snacks, as compared to 'loose' snacks weighed and filled by shopkeepers at the point of sale. With the changing industry dynamics, brands like ours will emerge as the biggest beneficiaries, with our hygienic factory-packaged snacks, offering local tastes and flavours.

Moving forward

We set afoot in FY2022 with the optimism of improved and steady growth momentum across the entire portfolio of savoury and sweet snacks, despite the challenges in the last year. Our focus also continues to be on maintaining a healthy balance sheet, elevating our growth trajectory and performance metrics. We continue to drive growth through our established portfolio of salty snacks, sweet snacks and with growth in the Avadh segment of snacks.

At Prataap Snacks, we have created a business model that has enabled us to achieve a strong and sustained growth over the years. While the short-term outlook may be unpredictable, with the reversal in commodity cycle and various process improvements and distribution restructuring, we remain highly optimistic for delivering a robust performance in the medium term. We will continue to focus on bringing the choicest products to the market and keeping our consumers delighted.

We would like to thank all our stakeholders for their resolute faith in us. We are well poised to capitalise and optimise on the opportunities coming our way, and to create new ones, to take Prataap Snacks to a new orbit of growth and success.

On that futuristic, optimistic and positive note, ladies and gentlemen, thank you once again for being part of this journey.

Thank You,

Amit Kumat

Managing Director and
Chief Executive Officer

Overcoming Challenges

As the world grappled with the human and economic crisis, our resilient business model remained well prepared to meet extraneous challenges. We re-engineered our operations and processes and integrated our COVID learnings to further strengthen our business.

As the environment around us changed, our distribution and logistics too were adversely impacted as we ceased production in several of our facilities. We were forced to respond quickly to disruption in supply chain, operations as well as change in consumption and buying behaviour of consumers. In order to ensure minimum disruption in our supply chain, we replenished our products faster in the market.

Decentralisation of operations

The rapid spread of the COVID-19 pandemic and the subsequent lockdown disrupted the momentum and led to labour challenges as well as logistics and supply chain issues. Indore being a COVID hotspot, our mother plant in the city was shut for nearly two months during the lockdown.

As we started manufacturing operations in mid-May, it was at reduced capacity. This was largely enabled by the Guwahati plant and our 3P facilities across India, which restarted operations from mid-April in a progressive manner. Our decentralised operations served us well as facilities in region less affected by COVID were able to partially offset the shortfall in production from those facilities which faced extended shutdown. By the second quarter, we smoothened all our production and supply side disruptions and we ramped up our operational capacity across our plants.

We are now in the process of establishing hubs across India to cater to proximate markets and enable us to implement our direct distribution strategy. We are also looking to enhance production through our owned facility in Kolkata, which will serve as a hub for the eastern region. Similarly, we have converted our 3P facility in Bengaluru into our own facility to create a hub for southern region.

Enhancing distribution reach

We revisited distribution strategies to beat COVID-19 blues and explored alternative go-to-market channel. In addition, we began the initiative of "tele-calling" with retailers. This reduced direct interaction and enhanced our efficiency. This initiative, which was started as a pilot project during the year, has been implemented in a few cities. We also utilised a mix of data analysis and feedback from local sales team and software to identify the distribution gaps across the supply chain.

We also improved our distribution reach to further smaller cities and towns as the urban area was more adversely affected by COVID-19 We increased the frequency of supplies to our distributors and outlets in the impacted markets to tide over any potential impact.

Cost rationalisation

Faced with margin pressures, we undertook cost rationalisation initiatives and process efficiencies. For categories with a sensitive price point, we tried to optimise grammages and rationalise channel margins. We are also working on new productivity measures, wherever possible, to further safeguard our margins.

Our key emphasis continued to be to focus on sale in areas less affected to further enhance sales. Despite continued closure of schools and negligible travel activities, the strategy delivered results and aided the Company in reporting a recovery in revenue. During the fourth quarter of the fiscal year, the revenue stood at nearly at the same level as in the corresponding period of the previous year.

Optimising Opportunities

We remained adaptive and resilient and used the COVID disruption as an opportunity to streamline our distribution efficiency and to explore alternate distribution strategies. We accelerated our plan to implement a compressed distribution structure. We also innovated product offerings as well as format size to cater to evolving consumer needs.

The outbreak of COVID-19 pandemic highlighted the need to demonstrate agility and for a nimble supply chain, one that can be dynamically managed to cater to the external challenges. During these uncertain times of the pandemic, we looked beyond just recovery and embraced the crisis as an opportunity to craft a different and better future.

Direct Distribution Model

We are restructuring our distribution network, starting with select markets. We plan to deliver products directly from our factories to the distributors, instead of taking the super-stockists route, to save on the second-leg of the logistics cost as well as the channel margin. This is helping us in optimising our distribution cost and further improving the distribution structure. Direct distribution and tele-calling are new distribution strategies to help us grow our top line and bottom line and improve margin.

Establishing hubs across India

We are setting up manufacturing hubs across India. These hubs will have the entire product range under the same roof, which is an essential pre-requisite towards creating a hub and catering to proximate markets. Hisar has been identified as our 3P facility for upgradation. Kolkata has also been identified as a suitable location for establishing a hub where we are putting-up our manufacturing plant. The 3P facility in Bengaluru has been converted into our owned facility and will be hub for southern region. This is one of many steps we have undertaken to enable our direct distribution model, aimed at compressing our distribution structure. We intend to expand this further after closely studying the market.

Adding to the portfolio

Amidst a turbulent year, our teams maintained a key focus and remained committed to continue our track record of innovation. We focussed on expanding our bouquet of high-quality choices and also made a foray into new categories and markets. During the year, we launched Plain Cut Chips (in four flavours), Rusk and Foochka.

We also maintained our relatively higher margin 'Sweet Snack' portfolio under the Rich Feast brand, primarily targeted at children with a sweet tooth. Today, the portfolio consists of Cookie Cake, Centre Filled Cup Cake, Choco Vanilla Cake, Yum Cake, Tiffin Cake and Sandwich Cake.

Reworking key strategies

To battle the crisis better, we reworked our business strategies. On the offerings front, in addition to small unit packs and on-the-go offerings, we are also pushing for large-format offerings and family packs. With this move, we explored our offerings in higher-priced formats, between ₹ 20 and ₹ 50. We are also exploring new categories in the "take-home" segment including bakery items, such as rusk.

We also augmented our presence and worked towards increasing our distribution presence in select Tier 2&3 markets.

Our ESG Approach

We understand that accountability, transparency and integrity are the cornerstones of doing good business, which includes effectively managing our environmental, social and governance matters. ESG considerations are slowly getting integrated across our business and being built into the policies and principles governing us, as we remain committed to serve clients, communities and shareholders.

We view ESG matters as fundamental to our business and seek continuous improvement in these areas. Our approach to ESG management includes having robust governance systems, risk management and controls; investing in our employees and cultivating a diverse and inclusive work environment; serving our customers exceptionally and transparently; strengthening the communities in which we live and work; and integrating sustainability into our financing activities and operations.

01 ENVIRONMENT

We have a singular aim to create a balance between operational excellence and environment protection. We have made a beginning on this journey towards reducing carbon footprint and inculcating energy efficiency across our offices and manufacturing facilities. We have been promoting behavioural change to endorse conservation of natural resources.

Water management

The Company believes water is a critical resource, and hence, work towards minimising its fresh water requirements through initiatives such as rainwater harvesting, use of water efficient fixtures and effluent treatment plant. Water from the effluent treatment plant is recycled within the factory and used in maintaining greenbelts, gardens and landscapes.

Clean energy

We use biomass briquettes as a fuel at our Indore plant as an alternative to conventional fuel such as diesel/PNG. We also use solar power at our Indore plant. During FY 2020-21, almost 40% of power requirement of Indore plant has been fulfilled through solar power.

Waste management

Most of the Company's manufacturing units are committed to zero discharge. We recover starch from the effluent discharged from the chips plant at Indore. A new effluent treatment plant (ETP) has been installed with higher capacity at the Indore plant.

Single-use plastic laminate

We are continuously working with the Government and other industry bodies to develop packing substitutes within the regulatory framework on environment sustainability. We have tie-ups with various approved NGOs for mass collection and disposal of empty multi-layer plastic packets of products. We are also working with some of our suppliers on recyclable packaging laminate and will switch to recyclable laminates, once available.

02 SOCIAL

We remain dedicated to harness people, improve their lives and build communities. Our primary aim is to utilise all our resources and capabilities with the objective of addressing our challenges and live our basic purpose of helping communities prosper.

Product safety

- Quality and food safety
- External audit on product safety
- On and off work regular food safety training to employees
- Review of feedback or complaints of super stockists, retailers and consumers
- Utmost care and compliance of food safety norms

Safety and well-being of employees

- Zero accident reported
- Safety training and awareness programme

Supply chain policies

- No child labour and forced labour

CSR activities

- Undertaken various CSR activities for betterment of community.

03 GOVERNANCE

We remain committed towards adoption of best corporate governance practices. We strive towards betterment of our corporate governance mechanisms and to improve efficiency, transparency and accountability of our operations. Our constant endeavour is to embrace responsibility for our corporate actions and the impact of our initiatives on all our stakeholders.

Board Diversity

Our Board is broad-based and consists of eminent individuals from industry, managerial, technical, financial and marketing backgrounds. We have an optimal combination of executive directors, non-executive directors, independent directors and a woman director.

Code of Conduct

We have adopted a Code of Conduct to enhance ethics and transparency in our governance and reinforce the trust and confidence of our stakeholders. Our directors, management and employees adhere to, comply with and uphold the principles set out in the Code.

Whistle-blower / Vigil mechanism

We have adopted a Vigil Mechanism/Whistle Blower Policy to develop a culture which is safe for all directors and employees to raise concerns on any unacceptable practice, event of misconduct or instance of leak of unpublished price sensitive information.

Monitoring of ESG facets

The Company's ESG facets are consistently being monitored, and are assessed annually, or as and when required.

Powering an inclusive future for all

At Prataap Snacks, we believe opportunities for a better future should be accessible to all. We are committed to ensure that the more vulnerable are not left behind on the journey towards the future. Through our unique model and specially-designed initiatives, we hope to improve the well-being of people, and create opportunities for them to improve their lives and livelihoods.

Our objective is to bridge the divide that exists between people and help them contribute equally and fully to the society. Through our initiatives and activities, we work closely with the local communities, enabling several individuals to progress in life. We are providing the beneficiaries with the right opportunities to lead productive lives, and powering an inclusive future for all.

During the year under review, due to the spread of COVID-19 pandemic, the Company focussed its CSR activities by distributing free food packets and its products to underprivileged people, patients in quarantine centres and frontline workers.

In addition to above, the Company also undertook CSR activities towards promoting education. We spent a sum of ₹ 123.18 lakhs on our CSR activities during the year under review. The Company also facilitated state government's COVID-19 vaccination drive by arranging camps for its factory workers as well as members of the local communities around factory premises.

Projects Supported

01 DISTRIBUTION OF FOOD PACKETS AND PRODUCTS

During the COVID-19 pandemic, we have distributed free food packets to underprivileged people, patients in quarantine centres and frontline workers in Indore, Madhya Pradesh.
We also distributed our products to people in COVID-19 affected areas.

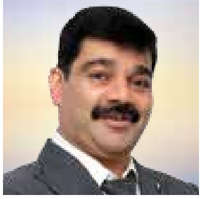
02 EDUCATION

We promoted the cause of education by undertaking renovation and repair of a government school situated at Pipliya Lohar, Tehsil Mhow, Indore.

03 COMMUNITY WELFARE

As the nation faced pandemic-related challenges, we provided our full-fledged support to the state government in its effective roll-out of vaccination campaigns, with the objective of getting more and more people in the state inoculated. As a part of this initiative, we facilitated the state government in its COVID-19 vaccination drive by offering our unflinching physical support.

Our Board of Directors



Mr. Arvind Mehta

Chairman and Executive Director

Over 32 years of experience in real estate business along with over 18 years in the snacks food industry and in the financing business.

Mr. G.V. Ravishankar

Non-Executive Nominee Director

MD (Sequoia Capital)
Over 20 years in management consultancy & PE investments. Previously worked at McKinsey & Company and Wipro Technologies.

Mr. Vineet Kumar Kapila

Independent Director

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

Mr. Amit Kumat

Managing Director and Chief Executive Officer

Over 25 years of experience in the snacks food industry.

Mr. V.T. Bharadwaj

Independent Director

General Partner (A91 Partners)
Over 20 years in management consultancy & PE investments. Previously worked with Sequoia Capital and McKinsey & Company.

Mr. Haresh Ram Chawla

Independent Director
(resigned w.e.f. 15.06.2021)

Partner (India Value Fund) and earlier CEO (TV18).

Mr. Apoorva Kumat

Executive Director (Operations)

Over 25 years of experience in the snacks food industry.

Mrs. Anisha Motwani

Independent Director

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

Mr. Chetan Kumar Mathur

Independent Director

Ex CFO PepsiCo India (Snacks). 31 years of experience in F&B industry, worked with PepsiCo India for 23 years.

Senior Management Team

Mr. Sumit Sharma

Chief Financial Officer

Member of Institute of Chartered Accountants of India. He has over 19 years of experience in accounting, finance, banking and taxation and worked with Crompton Greaves, L&T and New Holland Group.

Mr. Subhash Bhatt

Vice President - Operation

He holds bachelor degree in Engineering. He has over 25 years of experience in the snacks food industry and worked with Prakash Snacks, Hello Agro and Haldiram.

Mr. Mahesh Purohit

General Manager Sales - West

He holds bachelor degree in Commerce. He has over 24 years of experience in the FMCG industry and worked with Parke-Davis, BPL Synergy and Candico.

Mr. Subhashis Basu

Chief Operating Officer

He holds bachelor degree in Science (Economics). He has over 29 years of experience in the FMCG industry and worked with Parle, PepsiCo India and Mother Dairy.

Mr. B. Parameswaran

Production Head

Qualified from University of Agricultural Sciences, Bangalore. Certified course in Baking & Confectionery. He has 35 years of experience in Biscuit & Cake manufacturing industry and worked with Kwality Biscuits and Anmol Biscuits.

Mr. D.V. Praveen Kumar

General Manager Sales - South

He holds bachelor degree in Commerce. He has over 33 years of experience in food & beverages, FMCG, dairy, confectioneries, cosmetics and edible. Worked with PepsiCo for more than 21 years.

Mr. Deepak Brahme

Vice President - Operation

(passed away on 14.04.2021)

He held bachelor degree in Science. He had over 25 years of experience in the snacks food industry and worked with Prakash Snacks and Hello Agro.

Mr. Awadh Bihari Singh

General Manager Sales - East

He holds bachelor degree in Science (Hons.). He has over 33 years of experience in the FMCG industry and worked with Prakash Snacks and Hello Agro.

Mr. Om Prakash Pandey

Company Secretary and Compliance Officer

Fellow Member of the Institute of Company Secretaries of India. He has over 15 years of experience in corporate laws and secretarial matters and worked with NSE, Great Offshore, Aavantika Gas and Universal Cables.

Corporate information

BOARD OF DIRECTORS

Executive Directors

Mr. Arvind Mehta
Chairman and Executive Director

Mr. Amit Kumat
Managing Director and Chief Executive Officer

Mr. Apoorva Kumat
Executive Director (Operations)

Non-Executive Nominee Director

Mr. G.V. Ravishankar

Independent Directors

Mr. Vineet Kumar Kapila
Mrs. Anisha Motwani
Mr. Chetan Kumar Mathur
Mr. V.T. Bharadwaj
Mr. Haresh Ram Chawla
(resigned w.e.f. 15.06.2021)

Chief Financial Officer

Mr. Sumit Sharma

Chief Operating Officer

Mr. Subhashis Basu

Company Secretary and Compliance Officer

Mr. Om Prakash Pandey

AUDITORS

Statutory Auditor

M/s. SRBC & CO LLP
Chartered Accountants

Secretarial Auditor

M/s. Ritesh Gupta & Co.
Company Secretaries

Internal Auditor

M/s. Grant Thornton India LLP

COMMITTEES

Audit Committee

Mr. Chetan Kumar Mathur
Chairman
Mr. Vineet Kumar Kapila
Mr. G.V. Ravishankar
Mrs. Anisha Motwani

Nomination and Remuneration Committee

Mr. V.T. Bharadwaj
Chairman
Mr. Vineet Kumar Kapila
Mr. G.V. Ravishankar
Mr. Chetan Kumar Mathur

Corporate Social Responsibility Committee

Mrs. Anisha Motwani
Chairperson
Mr. Arvind Mehta
Mr. Amit Kumat
Mr. V.T. Bharadwaj
Mr. Haresh Ram Chawla
(resigned w.e.f. 15.06.2021)

Stakeholders Relationship Committee

Mr. V.T. Bharadwaj
Chairman
Mr. Arvind Mehta
Mr. Vineet Kumar Kapila
Mrs. Anisha Motwani
Mr. Haresh Ram Chawla
(resigned w.e.f. 15.06.2021)

Risk Management Committee

Mr. Chetan Kumar Mathur
Chairman
Mr. Amit Kumat
Mr. G.V. Ravishankar
Mr. Haresh Ram Chawla
(resigned w.e.f. 15.06.2021)

BANKERS

ICICI Bank Limited

Kotak Mahindra Bank Limited

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium Tower B,
Plot No. 31 & 32,
Financial District,
Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500032,
Telangana, India.
Toll Free No.: 18003454001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

PLANT LOCATIONS

Owned Plants

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

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

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

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

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

Third-Party Plants

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

No. 44/2, Kothanur Dinne,
Sos College Bannerghatta
Road, Near B.K. Circle Bus
Stop, J.P. Nagar, 8th Phase,
Bengaluru – 560076, Karnataka

Chakundi Dankuni,
Hooghly - 712310, West Bengal

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

Plot No. 26/A, Ozone Industrial
Park, Near Kerala GIDC,
Taluka Bavla,
Ahmedabad - 382220, Gujarat

Khasra No. 53, Narain Nagar
Industrial Estate, Bazpur Road,
Kashipur, Udham Singh Nagar
– 244713, Uttarakhand

GAT No.142, Pali Budruk,
Wavarle, Village Pali Budrak,
Taluka Khalapur, Raigad –
410206, Maharashtra

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

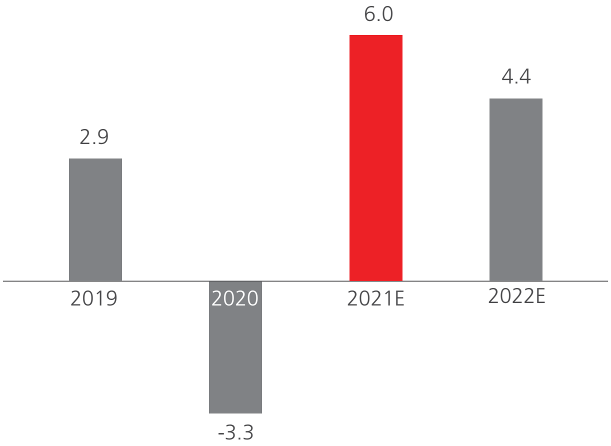
Management Discussion and Analysis

ECONOMIC SCENARIO

Global Economy

The global economy is recovering following an unprecedented economic downturn caused by the COVID-19 pandemic in 2020. Aggressive and swift monetary, fiscal, and financial sector policies taken by various central banks and governments across the globe have helped prevent worse outcomes. The global economic growth is thus estimated to contract by 3.3% in 2020. As per International Monetary Fund (IMF), the global economy is projected to grow by 6.0% in 2021 and 4.4% in 2022.

World - Real GDP Growth (in %)



Source: IMF Report – April 2021

Outlook

Multiple vaccine approvals and the launch of vaccination in some countries since December 2020 have raised hopes of an eventual end to the pandemic and have boosted investor sentiments worldwide. Additional policy measures announced at the end of 2020, notably in the United States and Japan, together with the unlocking of Next Generation EU funds are expected to help lift economic activity among advanced economies.

Emerging market and developing economies are expected to track diverging recovery paths as it would largely hinge on the speed of vaccination, effectiveness of policy support and country-specific structural factors. Organisation for Economic Co-operation and Development (OECD), in its interim economic assessment, stated that economic activities in China, India and Turkey have moved above pre-pandemic levels led by strong fiscal and quasi-fiscal measures and a recovery in manufacturing and construction. However, renewed waves and new variants of the virus pose concerns to the outlook.

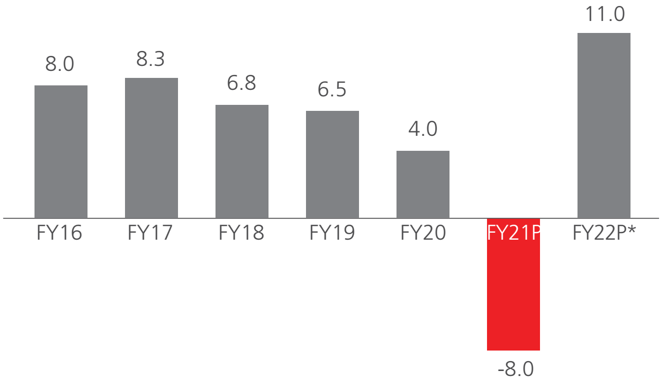
Indian Economy

The Indian economy was severely hit by the COVID-19 pandemic and the resultant lockdowns in 2020, especially during the period from March to August 2020. The economy saw the worst ever contraction of 23.9% YoY in the first quarter of FY 2021, with agriculture being the only high performing sector, driven by a normal monsoon, record-high production, and strong policy support.

The Government invested in a calibrated fiscal and monetary support that provided cushioning to the vulnerable during the lockdown. The fiscal response also boosted consumption, investment and injected liquidity into the system. Consequently, the economic activity showed significant improvement in the third and last quarters of FY 2021. As per the provisional estimates by National Statistical Office (NSO), Indian GDP is estimated to contract by 7.3% in FY 2021 as compared to 4.0% economic growth recorded in the previous fiscal year of FY 2020.

India's economy is showing decisive signs of a 'V-shaped' recovery in FY 2022 with the return of consumer confidence, improvement in business conditions across the manufacturing sector, robust financial markets, strengthening demand, and improved market conditions. As per Economic Survey 2020-21, the Indian economy is likely to rebound with 11% growth in FY 2022 – the highest since Independence. India entered into the list of top-50 innovating countries for the first time in 2020 since the inception of the Global Innovation Index in 2007, ranking first in Central and South Asia and third amongst lower middle-income group economies.

India GDP Growth (%)



Source: National Statistics Office - FY21 Advanced Estimates dated February 26, 2021

**Economic Survey – 2020-21*

Outlook

The recovery in Indian economy is reflected in high frequency indicators – vehicle sales; railway freight traffic; toll collections; goods and services tax (GST) revenues; e-way bills; and steel consumption, which showed gains in manufacturing and services activity in second-half of FY 2020-21. However, India's economy, which was showing signs of recovery in early 2021 after the first COVID-19 surge, has now been hit by the second wave of the pandemic.

India's rural economy has shown unprecedented resilience during first wave of COVID-19 pandemic and emerged as a silver lining when the Indian economy was facing deep contraction. In this period, Government of India recoded the highest number of jobs provided under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The economic recovery package under the PM Garib Kalyan Yojna has contributed significantly to the stability of the rural economy. Moreover, India is likely to witness a good monsoon for the 3rd consecutive year in FY 2021-22, which hopefully should lead to sustained growth of rural economy as two-thirds of Indians depend on farm-based income. The India Meteorological Department (IMD) is predicting that the rainfall is likely to be 98% of the Long Period Average (LPA) with a model error of plus or minus 5%.

Although satisfactory roll-out of COVID-19 vaccination programme along with the best recovery rate have raised hopes of a solution in the pandemic later this year, second wave of COVID-19 and new variants of the virus pose concerns for the outlook. A major concern of the second wave is that the virus has spread into India's hinterland and could cause havoc in villages, towns and small cities. Nearly 70% of India's workforce lives in rural areas, according to an estimate by the Niti Aayog. Furthermore, the rural economy accounts for 46% of the country's national income. The second wave may strongly impact the rural economy quite unlike the first wave, when only movement of food produce from the primary rural mandis or villages to the urban mandi was disrupted. This time around, the supply chain disruptions are expected at the primary mandi itself in addition to secondary disruptions. This may dampen the multiplier impact of a good harvest this year following forecast of a normal monsoon, raising the spectre of high food inflation. MGNREGA may not be as effective during second wave since high case load may prompt a pause in work orders. With the second wave of the pandemic, the two major differentiators impeding economic activity are the fear factor and the level of uncertainty over the current wave of lockdowns.

India is a domestic consumption driven economy with favourable demographic profile. Demand for consumer products rose in several industries as consumer patterns changed to quality products at affordable prices. Most of the consumers in the country are looking for value across income levels. Further down the year 2020 and in 2021, people have gone back to their everyday work schedule and have now disposable income at hand. This will lead to overall growth in consumption across sectors. With the country opening up further in the post-COVID period, this demand surge will play a definitive role in consumption patterns.

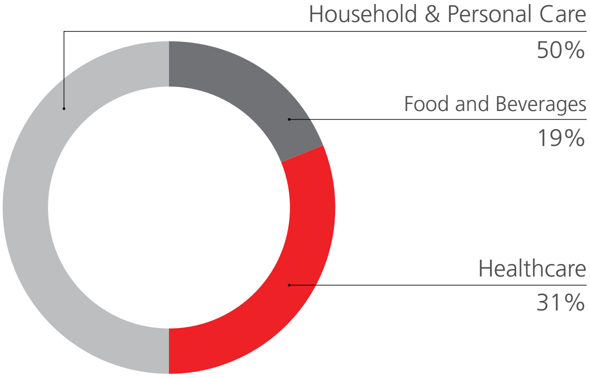
INDUSTRY OVERVIEW

The FMCG Industry

The Fast-Moving Consumer Goods (FMCG) sector is the fourth largest sector in the Indian economy with a market size of USD 110 billion in 2020. The industry is expected to reach a market size of USD 220 billion by 2025 registering a CAGR of 19% over the forecast period. Within the FMCG sector, Household and Personal Care category accounts for 50% of the sales, Healthcare category contributes to 31% and Food & Beverages category contributes to 19% of the overall sales in this sector.

(Source: Impact of Budget 2021 on the FMCG Sector - Business World)

FMCG Sector - Key Segments Contribution



The Food & Beverages sector contributes to approximately 30% of household spending in India. Rising income levels, increasing Urbanisation, change in consumer preference towards healthy and organic foods drives the growth of this segment.

Nielsen India had projected FMCG sales to contract between -1 and -3% in 2020 led by the sharp sales contraction in the first quarter of FY 2021 due to COVID-19 pandemic. Normalcy in economic activity, festive-led buying and a strong performance in India's villages led to fast-moving consumer goods volumes climbing 5% during the quarter ending December 2020. This was further aided by the skyrocketing sale of essential food items, hand sanitisers and disinfectants. Rural markets, meanwhile, raced ahead registering a 14.2% year-on-year growth in the same quarter. This sharper recovery is on the back of favourable agricultural sector performance, government action towards rural employment generation, and as rural India had lesser impact of the pandemic.

Rural Market to lead FMCG growth

Rural segment is growing at a rapid pace and accounted for a revenue share of 45% in the overall FMCG sector in India. In the last decade, India's rural FMCG market has recorded a CAGR of 11.3% and has contributed 75% growth in the FMCG sector. The growth is mainly driven by increased brand awareness arising from media exposure and higher penetration of internet and mobile phones.

In FY 2021, rural markets have witnessed improved demand owing to the excellent monsoon season, higher levels of income from farm as well as non-farm activities, increasing level of Minimum Support Price (MSP) and higher allocation of MGNREGS made by Government in FY 2021. Additionally, strong rural FMCG growth has been observed due to reverse migrations during lockdown period. As rural regions were largely untouched in the first wave of COVID-19, rural demand outpaced urban demand.

But with the rising cases in small towns and rural areas in the second wave of COVID-19 and subsequent re-imposition of lockdowns, in April and May 2021, the rural demand is likely to remain muted in the first quarter of FY 2022. However, the demand is likely to rebound from the second quarter of FY 2022 with the lifting of restrictions, good monsoon, festive season, extension of rural stimulus programmes, including free ration scheme and hike in minimum support prices of major crops. The mass vaccination drive by the Government and release of the Standard Operating Practices (SOP) in May 2021 on COVID-19 management in peri-urban, rural, and tribal areas to oversee the implementation of the SOPs at the grassroots level is likely to provide cushion against second and third wave of COVID-19 pandemic.

With the increased connectivity and greater access to information through technology, the FMCG sector in rural India has witnessed a drastic change in its consumer behaviour. Companies must strengthen their rural distribution network and innovative approaches to cater to the changing demand trend of India's rural population.

(Source: KPMG Report on India's Rural Economy)

Present Scenario in FMCG Sector

- COVID-19 has had a huge and significant impact on FMCG sector, where it not only changed consumer behaviour but also pushed the FMCG companies to change their strategies for customer acquisition, retention, and value propositions. Adapting to the new normal and digitalisation has made the sector learn, innovate and rise from disruptions.

- Companies increased their market reach by using a comprehensive telecalling platform for taking orders systematically and thereby developed better customer interactions.

- The consumption basket has changed during this pandemic period and some of these changes are likely to be permanent. The pandemic has accelerated the adoption of packaged offerings and shift from the unorganised sector.

- The pandemic saw a trend acceleration for health and wellness. Consumers are now more focussed on super hygiene and clean living. Consequently, increasing brand consciousness and preference of trusted brands have been witnessed in especially food and staples as people have concerns over health and hygiene and wanted to buy better quality.

FMCG entities are expected to maintain their digital presence even after normalcy is restored and COVID-19 comes under control. The Discretionary product categories such as personal care, chocolates, liquor, coffee, etc. are expected to be fuel growth in Tier III cities and rural markets. For Food categories, consumers will be more brand conscious. However, price points will continue to be relevant in almost all the other categories as consumers will be more value-conscious along with the brand. Overall, the sector's growth in 2021 will depend on the ability of the players to organise, invest and innovate to deliver high value products to the consumer.

INDIAN PACKAGED FOODS INDUSTRY OVERVIEW

Indian Snacks

The Indian snack processing industry is an encouraging as well as a thriving arm of the FMCG category. Snacking industry has shown remarkable growth in last few years owing to factors such as growing middle-class population, demographic shifts, youth entering the workforce, rise in busy lifestyles, increasing nuclearisation of households, rising urbanisation, local availability of snacks at small pack sizes and low price along with enhanced offerings covering regional flavours and taste. With a flourishing health-conscious population, the Indian snack processing industry is heading towards healthy snacking practices. Consumers are now searching for health and nutrition as a part of their snacking experience. Therefore, this has led to many healthy snack products being introduced in the Indian snack market.

Western snacks market dominated in North and West India

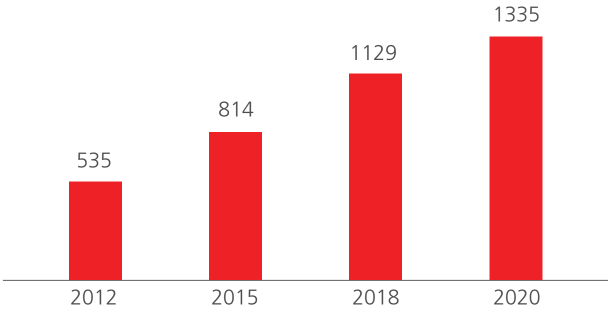
Salty snacks are estimated at ₹ 300 billion, of which western snacks and Indian namkeen (traditional snacks) each contribute ₹ 150 billion, and this category is growing at around 11-12% CAGR in last few years versus sweets category (₹ 300 billion), which includes biscuits and cakes growing at around 6-8% CAGR. Western salty snacks are further divided into potato chips (55% share), extruded snacks (25% share), puff category

(15% share) and nachos (corn-based chips) category (5% share). (Source: Elara Research: Millennials 3.0: Eat Good, Look Good, Feel Good - Post Conference Notes - March 18-19, 2021)

North India dominates the salty snacks market with a 36% share, followed by West India at 34% share, East India at 16% and South India at 14%. South India is under-indexed when it comes to the snacks category as the South Indian snacks market is dominated by local hot chips and homemade salty snacks. West and North India are slightly over-indexed as these are the huge snacking markets in India.

In 2020, the sales volume of savoury snacks in the Indian packaged food market amounted to 1,335 thousand metric tonnes.

Savoury Snacks Sales Volume (in 1,000 metric tonnes)



Source: Statistica.com

Huge headroom to grow

The western salt category has huge opportunity to grow as it is present in only 4 million out of 12 million stores in India. Also, product innovation is less and the market is still dominated by potato chips. This category will grow faster, led by distribution expansion and product innovation, which will also lead to premiumisation and higher margin. To grow distribution faster, the companies have to depend on contract manufacturing, otherwise the scale of building will be slow.

Increasing demand for packaged snacks

The pandemic has changed the buying patterns of consumers and accelerated the growth of Indian packaged food industry. The industry has seen transition from freshly made snacks to packed, instant and ready-to-cook snacking food items. Millennials & Gen-Zs have adopted snacking attitudes and are purchasing different packaged food choices based on health, convenience, brand and trust. Recently, COVID-19 hassled more people to work from home and the definition of basic necessity changed from basic foods to snacking and munching items. Considering the hazards attached to non-packaged products there has been rise in demand of packaged food which ensures safety and hygiene in the times of COVID-19.

According to Modor Intelligence, the India food and beverage packaging market was valued at USD 33.2 billion in 2020, and it is expected to reach USD 156.2 billion by 2026, registering a CAGR of 29.8% during the forecast period (2021-2026). With the market dominated by the unorganised sector and the increasing health focus that has led to consumers switching from loose to packaged food products across all segments, there is a significant opportunity for organised players to gain market share. Brands are capitalising on this opportunity through their product offerings, bringing the goodness of healthy food items to Indian consumers in different formats suited to their lifestyle, taste and convenience. The growth will be further aided by the rising trend of online food delivery owing to fast-paced life in urban cities along with witnessing growth in income and a better standard of living.

With the rise in online retailing, online retailers are also launching their own private label brands, thus providing consumers with a much wider choice of products and channels to choose from. The rise in online labels will further boost the growth of packaged food industry. However, manufacturers need to watch and explore ways to differentiate their offerings through product, price or packaging.

The rising internet penetration, increasing ordering frequency, favourable consumer disposition, geographical reach in smaller tiers and expanding network will continue to drive momentum in the Indian packaged food industry. With authorities increasingly clamping down and tightening norms around food labelling and general safety and hygiene, there will always be room for the growth of ready-to-serve packaged food as India has a permanently large middle-class with increasingly hectic schedules and busy lifestyles.

Sweet Snacks

The sweet snack industry is transforming from traditional milk-based sweets and open mithais offered by unorganised and traditional sweet shops to sweets and confectionery products prepared by organised bakeries, specialised milk-based products by dairy establishments, luxury mithai brands promoted by a new-age confectioner and organic sweets by modern food brands.

The packaged sweets has grown as an integral part of the Indian packaged food industry. COVID-19 has caused consumers to migrate towards packaged food from open, loose and perceivably unhygienic food and snack culture. The traditional popularity of sweets and an increased consumer consciousness of hygiene and cleanliness have led the packaged sweets to garner an extraordinary focus. Popularity of sweets offered in a hygienic package itself in a way is giving a boost and revolutionising the packaged food industry.

Government tightening norms to push demand for packaged sweets and snacks

With food regulatory authorities increasingly raising the bar for quality and hygiene for sweet products and even snack category, the packaged food industry would receive further boost. The Food Safety and Standards Authority of India (FSSAI) has mandated display of "Best before date" on non-packaged/ loose sweets, container/tray holding sweets at the outlet for sale mandatory with effect from October 01, 2020. The new mandate will increase demand for packaged sweets.

PLI Scheme will drive growth for of ready-to-eat foods

In order to boost domestic manufacturing and cut down on import bills, the central Government in March 2020 introduced a Production Linked Incentive (PLI) scheme for the food processing industry with an outlay of ₹ 10,900 crore during 2021-22 to 2026-27 that aims to give companies incentives on incremental sales from products manufactured in domestic units. The effort is to take the country's food processing to a next level amid the rising global demand for Indian ready-to-eat foods, organic products, processed fruits and vegetables, marine products and mozzarella cheese.

COMPANY OVERVIEW

Prataap Snacks Limited (hereafter referred as PSL / the Company/ Prataap) is a leading Snack Food Company in India. PSL's key brands include the flagship Yellow Diamond brand and Rich Feast brand. Headquartered in Indore, the Company's brand philosophy put emphasis on delivering "maximum value to consumers" in terms of quality and taste. PSL manufactures and markets multiple product variants across potato chips, extruded snacks and Namkeen (traditional Indian snacks) under the flagship Yellow Diamond brand. The Company offers a range of sweet snacks under the distinctive Rich Feast brand. The Company is also aided by Avadh brand of Avadh Snacks Pvt. Ltd., the subsidiary of PSL. Avadh is the fastest growing and fourth-largest snacks brand in Gujarat and offers varieties of namkeen and fryums. Led and empowered by a highly proficient management team over the years, 'Yellow Diamond' has, has become a well-known and recognised brand in India's highly competitive snacking industry.

Proud to be Indian

PSL is one of the leading snack food brand in India and has a market leadership in the Rings segment. The Company has pan-India presence, with its products pleasing to urban tastes and specific tastes or preferences of different cultures and regions across the country. The Company understands local preferences and tastes of consumers and their needs. PSL entered into the sweet snacks market in FY 2018 under the Rich Feast brand, through its wholly-owned subsidiary Pure N Sure Food Bites Private Limited, which subsequently merged with the Company. In FY 2019, the Company acquired Avadh Snacks Private Limited, to gain a strong foothold in Gujarat, India's highest snack-consuming state. The acquisition helped PSL to further diversify and strengthen its products portfolio.

Initially, PSL established its presence in the urban markets of Mumbai and Delhi, the key distribution hubs of western and northern India. Later, it set up a facility in Guwahati, and also entered the South India market. As on March 31, 2021, the Company operates through 14 strategically located manufacturing facilities, out of which 6 are Company-owned – two each in Indore and Guwahati, one in Rajkot and one in Bengaluru. The remaining 8 manufacturing facilities in Kolkata, Bengaluru, Ahmedabad, Tumkur, Kashipur, Hissar and Karjat are on a contract manufacturing basis. Localisation of manufacturing with facilities located in proximity to major markets enables the Company to efficiently cater to regional demand and serve different geographies. Even during the tough operating phase of the COVID-19 era in FY 2021, the Company strengthen its business model by setting up new facility in Kolkata, which is under process and will be operationalised from FY 2022. The new facility will further enhance PSL's reach in the eastern market.

PSL has an extensive distribution network spanning 27 states and 4 union territories across metro cities, urban clusters, lower tier-towns, and rural areas. The Company has widespread distribution reach through a three-tier distribution structure of stockists, distributors and retailers. As on March 31, 2021, PSL distributes its products through more than 240 super stockists and over 4,300 distributors and over 1.7 million retail touchpoints across the country. PSL's products are available at independent grocers and small retail stores in the lane and by-lane of its key markets. The Company is steadily building up its presence in supermarkets, hypermarkets and modern trade outlets.

Product Portfolio

PSL has diversified product portfolio into various categories including traditional and western snacks. The Company is constantly involved in launching new products, new flavours and innovation in the market for its target consumers. The Company has over 100 Stock Keeping Units (SKUs) and sells approx. 11 million packets per day, The breadth of offerings in terms of pack size and strategic price point ranges from ₹ 5 to ₹ 100. Identifying the customer preferences, the Company test launched plain cut chips in FY 2021 with different flavours such as Chatapa, Piri-Piri, Salted and Sour Cream 'n' Onion. The Company also launched Foochka with various innovative local flavours and Rusk pushing the in-home purchases. Foochka is an all-time favourite, crispy, chatpatta snacks under the pellets product portfolio liked by all age groups. Rusk is a normal dry toast basically for home consumption while having tea or coffee.

PSL's products portfolio comprises of three broad categories:

Salty Snacks Portfolio

Sweet Snacks Portfolio

Avadh Portfolio

1. Salty Snacks Product Portfolio

PSL's Salty Snacks portfolio is marketed under the brand Yellow Diamond and comprises Potato Chips, Extruded Snacks (Chulbule, Rings, Puffs & Kurves), Namkeen and Pellets (Wheels, Scoops). The Company offers wide range of tastes in different products considering the local preferences.

Potato Chips

- Potato-based snack
- SKUs:10 flavours
- Target group: All

Chulbule

- Rice grit & Corn grit based snack
- SKUs: 7 flavours
- Target group: Youth & Children

Rings, Kurves and Puff

- Corn grit based snack
- Market leader in Rings
- SKUs:11 flavours
- Target group: Children

Namkeen

- Gram and other lentils based
- SKUs: 22 varieties
- Target group: All

Pellet Snacks

- Wheat-based
- SKUs: 5 flavours
- Target group: Children

2. PSL Sweet Snacks Product Portfolio

In FY 2018, PSL entered into an underpenetrated Sweet Snacks category, with a range of cakes marketed under the Rich Feast brand. The Company launched three new products Cookie Cake (Chocolate, Vanilla and Tutti Fruity flavour), Yum Cake and Choco Vanilla Cake in FY 2019. Over the last year in FY 2020, PSL has introduced three new sweet snack products – Cup-cake, Tiffin-cake and Sandwich-cake. The Company has received an encouraging customer response for the new sweet snack products. PSL's venture into the sweet snacks space bodes well as the sweet snacks segment being at nascent stage of the market and the Company can leverage its existing distribution network to cross-sell its products.

Cookie Cake	Centre Filled Cup Cake	Choco Vanilla Cake	Yum Cake	Tiffin Cake	Sandwich Cake
SKU's 3	SKU's 2	SKU's 1	SKU's 1	SKU's 1	SKU's 3
Target group Youth and Children	Target group Youth and Children	Target group Youth and Children	Target group Youth and Children	Target group Youth and Children	Target group Youth and Children

3. Avadh Portfolio

The extensive product portfolio of Avadh Snacks complements PSL's existing salty snack portfolio. Avadh is the fastest growing and fourth-largest snacks brand with a market share of 6% in Gujarat. The Avadh acquisition in October 2018, added a strong local namkeen and fryums brand to PSL's portfolio. All the products of Avadh Snacks are marketed under the brand Avadh. PSL plans to expand Avadh products outside Gujarat including Madhya Pradesh, Maharashtra, Uttar Pradesh and Rajasthan.

Namkeen			
Key Products: Bhavnagri Gathiya, Sada Mamra, Papdi Gathiya, Chavanu, Lasaniya Mamra	Price Point: ₹ 5, ₹ 10, ₹ 30, ₹ 50	SKUs: 34 varieties	Target group: Adults

Fryums			
Key Products: Tomato Cup, Salted reffil, Masala cup, Chiji Noodles, Salli, White crunchy papad	Price Point: ₹ 5, ₹ 10	SKUs: 21 varieties	Target group: All

Key Pillars of Business Strategy

1. Offering unique value proposition to price conscious consumers

PSL has a 'value-for-money' positioning and is one of the largest players in ₹ 5 price-point category, which accounts for more than 50% of the organised snack industry. PSL offers value proposition to the 'price conscious' consumer in each product category, without compromising on taste and quality. With this strategy of selling quality and tasty products at strategic price points and pack sizes, the Company targets the value-conscious customers from all sections of society including the unorganised market. This strategy has resulted in increased brand loyalty and has remained critical to the Company's overall growth.

2. Transforming into asset-light model through third-party (3P) manufacturing facilities

The Company has six owned and eight third-party (3P) manufacturing units. To ensure faster replenishment of products at store shelves with lower logistics cost, manufacturing facilities must be located in close proximity to its target market. Especially for chips and extruded snacks, the transportation cost is comparatively high. Hence, PSL is leveraging its asset-light third-party manufacturing model to enjoy three key advantages:

- Lower time to market and faster replenishments, enabling better shelf availability, and therefore, higher revenues
- Saving in freight cost due to lower distance from factory to market
- Reduced fixed cost base, enabling higher flexibility and improved capital efficiency

The 3P manufacturing facilities are strategically located across geographical zones in order to reach products from the manufacturing facilities to the customer touchpoints with maximum efficiency. It also allows the Company to pursue growth while conserving capital, improving margins and enhancing return on capital employed. The Company's Hissar 3P plant has already started operations by manufacturing chulbule and pellets. This will be further added by manufacturing chips, which is expected to commence in FY 2022. The share of Company's Sales from 3P manufacturing facilities increased from 18% in FY 2020 to 24% in FY 2021.

3. Direct Distribution Network and Tele-calling

PSL is restructuring its distribution network, starting with the selected markets. The Company plans to deliver products directly from its factories to the distributors instead of taking the super-stockists route to save on the second-leg of the logistics cost. This will lead to optimise cost and improve distribution structure. Direct distribution and tele calling are new distribution strategies, which will help the Company grow top line and bottom line.

4. Updating products to meet changing consumer preferences

PSL considers that serving consumers' likes and preferences are crucial for its success. Hence, the Company spends considerable time and efforts towards addressing specific regional tastes and preferences in its product offerings. The Company's main objective is to build a relation between brand and particular customer groups by emphasising regional sensibilities, pride of culture and value of offering. In line with the customers' preferences, the Company introduced new product such as Foochka, Plain cut chips and Rusk in test markets in FY 2021.

The Company also focusses on reinforcing the connection with kids through initiatives such as offering toys with its Rings products. Further, the Company has taken forward several successful campaigns using various popular cartoon characters like Motu Patlu, Ben 10 and Chhota Bheem to promote its offerings. It has tied up with Viacom18 Media Private Limited, the entity that operates the popular children's entertainment channel 'Nickelodeon' for the famous cartoon character "Motu Patlu". Its key objective is to build a deep connect with customers, both mature and young, based on shared characteristics of taste, value, culture, fun, joy and excitement to enhance recall and repeat purchases.

5. Improving product mix with high margin sweet snacks segment

PSL intends to improve its product mix by increasing its revenue share from sweet snacks segment while continuing ₹ 5 price point as an important growth strategy. The sweet snacks business offers multiple synergies such as creating a differentiated position for the Brand and Company, lower volatility in raw material cost, higher gross margin and appealing to different customer sensibilities. The three new products – Cup Cake, Tiffin Cake and Sandwich Cake have received an encouraging response from the consumers. The nascent stage of the sweet snack market, its niche products, an effective Go-to-Market (GTM) strategy and a growing distribution network of salty snacks augurs well for PSL's expansion into this space.

6. Expanding Avadh portfolio outside Gujarat

Acquisition of Avadh Snacks in 2018 has deepened the Company's presence in Gujarat, which is one of the prominent snacks market, with highest per capita consumption. Avadh Snacks is one of the fastest growing and fourth-largest snacks brand with a market share of

6% in Gujarat. The product range of Avadh complements with PSL's salty snacks portfolio through offerings in the namkeen and fryums categories. The integration with Avadh has resulted in offering products, with a blend of regional and national flavours and variants across categories.

Avadh has a manufacturing facility at Rajkot and a well-established direct distribution network in Gujarat. PSL concluded the first phase of capacity expansion by 50% at Avadh in June 2020 with further plans of doubling the capacity from pre-expansion levels in a second phase. The Company is now targeting to expand extensive product portfolio of Avadh outside Gujarat. It has already launched range of pellet-based snacks in northern markets and gaining positive traction. The Company is now targeting to launch Avadh Namkeens in other regions outside Gujarat.

7. Continuing re-engineering and cost optimisation initiatives

PSL is undertaking several strategic initiatives to streamline costs and improve its efficiencies. It is focussing on enhancing the margin profile of its business and elevating profitability and return ratios. Few of the initiatives includes:

- Decentralisation of 3P facilities to optimise logistic cost with the source of supply being closer to the market
- PSL continue to focus and implement steps to manage raw material cost. The Company targets to enhance its cold storage facilities for potato - key raw material for chips, to control any sharp swings in potato prices. The Company opts for long-term contracts for its key raw materials and laminates to mitigate any uncertainty in their price fluctuations
- On the packaging front, steps have been undertaken to rightsize packs and corrugated boxes to reduce packaging costs
- PSL constantly re-engineered its process or propositions if the scheme or product's key attribute does not receive positive response from the customers. The Company has re-engineered its proposition by addressing marketing schemes for its flagship product 'Rings' toy scheme, which helped drive better performance

OPPORTUNITIES AND THREATS

Opportunities

- Rising disposable income
- Increasing rate of urbanisation
- Favourable demographics
- Changing lifestyle and increasing brand awareness
- Innovation and new product launches
- Yet to fully explore and penetrate western market through Avadh
- Huge opportunity in underpenetrated rural and semi-urban markets
- Strengthening of brand equity through mergers and acquisitions

Threats

- Stiff competitions from organised and unorganised players
- Availability and sourcing of raw material
- Increasing price of raw materials
- Increasing health consciousness among people resulting in change in food habits
- Any adverse impact on brand image

Financial Review

- The Company reported a full year consolidated revenue of ₹ 1,17,109 lakhs in FY 2021 as compared to ₹ 1,39,379 lakhs in FY 2020, representing a de-growth of 16.0%. The de-growth is on account of COVID-19 pandemic-led disruption that has impacted sales volumes as outdoor and social activities remain muted
- Gross margins contracted by 62 bps to 28.0% in FY 2021, primarily due to increase in prices of certain raw materials especially palm oil price
- Operating EBITDA in FY 2021 decreased by 32.7% to ₹ 6,307 lakhs from ₹ 9,368 lakhs in FY 2020. The decrease in operating EBITDA primarily due to lower revenue on account of COVID-19 and adverse movement in key raw material prices
- Profit before tax (PBT) declined by 67.1% from ₹ 3,368 lakhs in FY 2020 to ₹ 1,107 lakhs in FY 2021
- Finance Cost for the year stood at ₹ 627 lakhs in FY 2021 as compared to ₹ 746 lakhs in FY 2020
- Depreciation for the year FY 2021 amounted to ₹ 5,457 lakhs as compared to ₹ 6,174 lakhs recorded in FY 2020
- The Company has reassessed the useful life of property, plant and equipments and has revised the estimated useful life of plant and machineries to 15 years from the existing useful life of 10 to 21 years on the basis of technical evaluation carried out by the management's expert. The effect of the said change is recognised prospectively w.e.f. July 1, 2020 as per the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Consequent to this change, depreciation is lower and net profit before tax is higher by ₹ 1,052.62 lakhs for FY 2021. Further, the basic and diluted earnings per share (not annualised) is higher by ₹ 2.94 for FY 2021

- Tax expense in FY 2021 stood at ₹ (308) lakhs as compared to ₹ (1,324) lakhs in FY 2020. In FY 2020, pursuant to the Taxation Laws (Amendment) Act, 2019, the Company has remeasured the deferred tax liabilities and has recognised deferred tax income of ₹ 1,875.72 lakhs. In FY 2021, the Company has reassessed its deferred tax liability on the basis of the likely year of transition to the new tax regime and the current assessment of the amount of deferred tax liability expected to reverse subsequent to the expected transition year and has recognised a gain of ₹ 451.60 lakhs
- Consequently, the net profit for the year stood at ₹ 1,416 lakhs decreased by 69.8% from ₹ 4,692 lakhs in the last year
- The EPS post dilution stood at ₹ 6.04 in FY 2021
- The Board recommended a Final Dividend of ₹ 0.50 per share (Face Vale - ₹ 5) for FY 2021
- Net Worth as on March 31, 2021 stood at ₹ 62,312 lakhs as compared to ₹ 60,800 lakhs as on March 31, 2020
- Cash and Cash Equivalents stood at ₹ 1,178 lakhs as on March 31, 2021 as compared to ₹ 2,647 lakhs as on March 31, 2020

Details of Significant Change in Key Financial Ratios

(₹ in lakhs)

Ratios	FY 2020	FY 2021	Change
Interest Coverage Ratio (x)	5.51	2.77	(49.73)%
Debt Equity Ratio (x)*	0.01	0.02	(100.00)%
Return on Networth – RoNW	8.02%	2.30%	(71.32)%

**Excludes Other financial liabilities and Lease Liabilities.*

- Interest Coverage Ratio deteriorated to 2.77x in FY 2021 as compared to 5.51x in FY 2020. This is mainly due to lower Earning before interest and tax ('EBIT')
- Debt equity ratio deteriorated to 0.02x in FY 2021 from 0.01x in FY 2020 due to increase in short term loan from bank

Change in Return on Networth

- Return on Networth (RoNW) decreased to 2.30% in FY 2021 as compared to 8.02% recorded in FY 2020 due to lower profit on account of COVID-19

OUTLOOK

PSL is one of the leading and fastest growing packaged snacks food company in India. The Company has diversified its product offerings and has been continuously focussing on new innovative product launches targeting people of all age groups. PSL continues to strengthen its savoury snacks portfolio both organically and inorganically. Simultaneously, the Company aims to increase the share of revenues from higher-margin sweet snacks category as it has lower freight costs and hence its increasing contribution in the revenue mix enhances the blended EBITDA margin of the Company.

Further, the Company aims to grow its Avadh business within Gujarat and outside Gujarat and exploit further synergies for Yellow Diamond products on the Avadh platform. PSL's strategically-distributed manufacturing facilities across the geographies plays a key role in catering to local demand.

The Company will continue its well diversified approach in improving product mix and geographical expansion to spur growth in the near future.

PSL's innovative products fit well in Convenience, Health, Impulse and Premiumisation (CHIP) framework – from potential to cross-sell high quality products at reasonable prices to the 'value-conscious' consumer. The sale of Company's small pack size of ₹ 5 products have taken a hit in FY 2021 due to the temporary closure of schools, railways and public places due to COVID-19. To increase its share of in-home consumption, PSL is exploring alternate ways and has introduced large packs across categories.

Innovation and distribution expansion, synergies from the integration of Avadh's business, growth in the sweet snacks category, pan-Indian presence with strategically located owned and contract manufacturing facilities, brand positioning as a value-focussed player and deep understanding of consumer tastes are some of the key benefits that augurs well for PSL in further expanding into lesser penetrated areas and become a preferred national brand. However, the near-term outlook remains ambiguous given the complexity and volatility continue to rise on the backdrop of COVID-19 pandemic. With the economy regaining momentum and trains, schools and institutions set to re-open in a phased manner, the Company expects a revival in demand.

COVID-19 IMPACT

The outbreak of COVID-19 has adversely effected the Company's production in the first quarter due to shutdown of operations in manufacturing plants and supply chain disruptions. Though the production, operations and supply chain have resumed post lockdown. However, PSL faced challenges with respect to demand throughout the year, particularly due to restricted outside access of kids, closure of schools and railways. Rural demand has received support in terms of cash transfer and a good monsoon, leading to good agri output. The Company continues to maintain a steady financial position with robust liquidity. PSL's strategic growth initiatives combined with debt-free and asset-light model will lead the Company to achieve its targeted revenue growth.

In order to manage COVID-19 risk, the Company ensures maintaining social distancing of manpower, day-to-day health monitoring of all employees and sanitising the workplace. It has started replenishing its products across the trade channel and rebuilding inventory of finished goods and inputs. Despite the challenging business environment, PSL continue to maintain a high quality of operations, cost efficiency programmes, expansion in distribution and a robust financial position.

HUMAN RESOURCES

The Company considers people as the most valuable asset of the organisation. As of March 31, 2021, the Company had a workforce of 907 people on its roll, in addition to contract manpower. The manufacturing facilities are free from labourer or workers' union and no disruption of work has been found till date due to labour trouble. HR policies nurture a work culture that leads to employee satisfaction, unflagging motivation and high retention rate.

An excellent talent pool is key in delivering business results. The Company has a strong drive to identify and recruit successors for key roles within or outside the organisation and groom them. The Company has established robust talent management practices, development interventions, productivity improvement initiatives and reward mechanisms, thereby enabling organisational goals and key milestones through retaining people. The workforce represents a healthy mix of multi-generational diverse and agile that are experienced and willing-to-experience employees. The Company constantly strives to upgrade employees' skills and give them the edge to compete in the dynamic market and become future-ready.

PSL also has an Employee Stock Appreciation Rights Plan (ESARP), which allows all the permanent employees to become owner of the Company by giving rights to hold shares based on their eligibility criteria. This ensures employee participation in the growth of the Company.

CORPORATE SOCIAL RESPONSIBILITY

PSL aims to actively contribute to the social and economic development for evolving a sustainable society. The Company has CSR Policy in place, which articulates positive contribution towards communities' economic, environmental and social well-being through its CSR activities. PSL intends to create the Company image as a reliable, credible, responsible business partner by making a positive difference in the society, where the Company operates its business. During the year under review, due to spread of pandemic COVID-19, the Company has focussed its CSR activities towards eradication of hunger and disaster management and accordingly distributed free food packets to the residents / people in Indore, Madhya Pradesh and also distributed its products to the residents / people in COVID-19 affected areas. In addition to above, the Company has also undertaken its CSR activities towards promoting education.

RISK AND MITIGATION

Risk and concerns are an integral part of any business environment that could have a material impact on performance and prospects of the Company. Risk management is a vital part of the Company's strategy to achieve its long-term goals. The Company has adopted Enterprises Risk Management to manage the risks and working towards its business objectives and goals through identifying the risk; quantifying the risks; strategies to mitigate the identified risks; and continuous monitoring of risk containment tasks.

The Company has identified multi-dimensional risks straddling both the external environment and internal business processes and performance. The Company will continue to evaluate and may identify other risks that may emerge and be visible in the future.

Economy Risk: The growth of Company's product portfolio is linked to the overall economic growth. Primary risk to the business will be on account of adverse changes to the economy. Further, the changes in consumer behaviour, buying patterns and working environment arising due to COVID-19 pandemic may pose some challenges for the businesses.

PSL successfully managed to overcome the immediate challenges of COVID-19 and continues to monitor the key developments closely to avoid any adverse impact on its business. The Company is doing best to get back to its growth path through strong consumer focus, innovative marketing and distribution and efficiency in operations.

Rise in raw material prices: Key raw materials like packaging laminate, palm oil, and potatoes are the most significant components of the Company's raw material basket. Any supply chain disruptions, unavailability of raw materials, or increase in prices will significantly impact the cost, which might affect the Company's profit margins. Palm oil prices have consistently risen in FY 2021 and remains unusually elevated, thereby adversely impacting the margins.

Over the years, PSL has developed long-standing relationship with its suppliers to secure availability of raw materials at competitive prices. The Company prefers long-term contracts for laminates and palm oil to mitigate any uncertainty. Further, for uninterrupted supply of potato throughout the year, the Company has in place the cold storage infrastructure to procure material in bulk and expanding its procurement areas. It enters forward contracts to hedge the price fluctuations when feasible. The increase in palm oil price on margins is mitigated to some extent through on-going process re-engineering and cost optimisation initiatives.

Competition: The Company faces intense competition with larger established companies as well as small regional players from both organised and unorganised market, which could impact its overall growth and earnings trajectory.

PSL has a wide range of products and continuously works on launching innovative products, which help it to stay ahead of the competition. Being a niche player, the Company continuously develops a deep understanding of the consumer's likes and dislikes and is well positioned to leverage this awareness. PSL is well placed for better growth and expansion led by its wide distribution network, usage of strategically located manufacturing facilities, diversified product portfolio and extension of Avadh's portfolio outside Gujarat.

Brand Sustainable: PSL's flagship brand 'Yellow Diamond' is a well-renowned name in the snacks space. The Company has further expanded its business in sweet snacks by adding Rich Feast Brand and has acquired Avadh brand to expand its product portfolio and geographical footprints. The Company is exposed to any negative event that can adversely impact the brand and consequently the Company's business significantly.

PSL's strong brand positioning is reflected in the Company's ability to compete with regional players on their own turf and gain market leadership. The Company's R&D team continuously works on new products and innovative flavours to sustain brand and set up an adequate quality control system. In addition, the Company has put in place strong management reporting and tracking system.

Concern to use and replace Packaging laminates: The Company uses a substantial amount of single use packaging laminate to package its products. Being non-recyclable, disposal of such packaging laminates is a concern. Reduction in the amount of single-use plastic currently being used by the Company and evaluating ways to recycle its packaging material is critical to its future success. Consumer responses to environmental impact of plastic waste and emerging regulation by Governments to tax or ban the use of certain plastics makes it necessary for the Company to find solutions to reduce the amount of plastic it uses and evaluate possibilities of recycling post-consumer use and to source recycled plastic for use in its packaging. The risk also persists in finding suitable replacement materials at appropriate price in future due to increasing demand.

PSL is continuously working with Government and other industry bodies on packing substitutes, and regulations framework. The Company is conducting waste management programme through tie-ups with various NGOs deploying mass collection, processing and disposal of used plastics. The Company is working with some of its suppliers on the recyclable packaging film and will switch to the recyclable laminate once available. PSL is cognisant that the new packaging film may marginally be more expensive than the currently used material, however, the exact impact will be clear only after the material is commercially available.

INTERNAL CONTROL SYSTEM

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls to provide an independent and reasonable assurance to the Audit Committee and the Board of Directors on the adequacy and effectiveness of the organisation's risk management, internal control business processes, operations, financial reporting, and compliance. The framework is commensurate with the nature of its business, size, scale, and complexity.

Internal audits and management reviews are undertaken regularly covering various areas across the value chain like procurement, manufacturing, information technology, supply chain, sales, marketing, and finance. The management regularly reviews reports of the internal auditors and corrective and remedial actions are taken to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports and actions taken are presented to the Audit Committee of the Board.

CAUTIONARY STATEMENTS

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

Board’s Report

To the Members,

Your Board of Directors (‘Board’) is pleased to present the 12th Board’s Report of Prataap Snacks Limited (‘Prataap’ or ‘the Company’) for the financial year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY’S AFFAIRS

The coronavirus (COVID-19) pandemic has radically changed the prospects of the global economy. This unprecedented crisis limiting physical mobility and economic activity have effectively stopped economies around the world and your Company’s operations too were affected mainly during the first quarter of the year under review. Due to shutdown of operations in the manufacturing plants of the Company and third party contract manufacturing units situated at different locations amidst of outbreak of COVID-19, the production has adversely affected, which resulted in loss of revenue and eventually affected the margins. Though the production, operations and supply chain have resumed in the second quarter of the year under review, your Company faced challenges with respect to demand and sharp increase in palm oil price throughout the financial year ended 31st March, 2021.

The standalone revenue from operations of the Company decreased to ₹ 1,01,037.57 lakhs compared to ₹ 1,22,599.80 lakhs in the previous year, registering a decline of 17.59% primarily due to challenges with respect to demand due to COVID-19 pandemic, closure of most of the schools and colleges and limited traffic at railway stations and highways. Net profit after tax decreased to ₹ 2,086.08 lakhs from ₹ 3,086.91 lakhs representing a decline of 32.42 % primarily on account of nationwide lockdown due to spread of COVID-19 during first quarter of the year under review, lower demand of the products, sharp inflation in key raw materials prices, particularly, palm oil price which was partly mitigated by various measures undertaken including process re-engineering and cost optimisation initiatives. The consolidated revenue from operations of the Company decreased to ₹ 1,17,108.88 lakhs compared to ₹ 1,39,379.42 lakhs in the previous year, registering a decline of 15.98%. Net profit after tax decreased to ₹ 1,415.59 lakhs from ₹ 4,691.96 lakhs representing a decline of 69.83%. The financial performance of the Company on standalone and consolidated basis is as under:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Revenue from operations	1,01,037.57	1,22,599.80	1,17,108.88	1,39,379.42
Profit before tax	1,989.89	3,820.91	1,107.10	3,367.55
Less: Current tax	393.37	737.39	408.70	906.50
Add / (Less): Deferred tax (including MAT)	(489.56)	32.45	(717.19)	(355.19)
Less: Re-measurement of deferred tax on account of new tax regime	-	(35.84)	-	(1,875.72)
Net Profit after tax	**2,086.08**	**3,086.91**	**1,415.59**	**4,691.96**
Other Comprehensive income / (loss)	2.04	(14.92)	17.46	(16.84)
Total comprehensive income for the year	**2,088.12**	**3,071.99**	**1,433.05**	**4,675.12**
Surplus brought forward	19,456.55	16,667.30	21,072.69	16,680.30
Less: Amount utilised towards payment of dividend (including dividend distribution tax)	(234.53)	(282.74)	(234.53)	(282.74)
Surplus carried forward	**21,310.13**	**19,456.55**	**22,271.22**	**21,072.69**

Your Company has launched two products in salty snacks segment, viz. plain cut chips and foochka in test markets during the year under review. Both the plain cut chips and foochka target both adults and children. Your Company maintained a diverse product portfolio at strategic price points and pack sizes targeted to youth and children in the sweet snacks segment.

As a part of our manufacturing strategy, we have converted a third party contract manufacturing facility of extruded snacks located in Shri Rampura Village, Anekal Taluk, Bengaluru, Karnataka into our owned manufacturing facility.

Post acquisition of Avadh Snacks Private Limited (Avadh), a Gujarat based namkeen maker, your Company has integrated its operations with the Company’s operations. Further, the Company has successfully taken Avadh products outside Gujarat through its distribution network.

UTILISATION OF INTIAL PUBLIC OFFER (IPO) PROCEEDS

The disclosure in compliance with Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding utilisation of IPO proceeds (including pre IPO proceeds) is as under:

(₹ in lakhs)

Particulars	**Planned utilisation**	**Variation in the Object as mentioned in the prospectus** (Approved by the shareholders at the Annual General Meeting of the Company held on 28th September, 2018 by way of special resolution passed in terms of provisions of Section 13 and 27 of the Companies Act, 2013 read with rules made thereunder and applicable SEBI Regulations)	**Revised Planned utilisation**	**Utilised till 31st March, 2021**	**Unutilised as on 31st March, 2021**
Repayment/pre-payment in full or part of certain loans availed by the Company	5,098.20	-	5,098.20	5,098.20	-
Funding capital expenditure requirements in relation to expansion (including through setting up of a new production line and construction of building) and modernization at certain of our existing manufacturing facilities	6,699.80	(3,952.00)	2,747.80	2,747.80	-
Investment in subsidiary, Pure N Sure, for repayment/pre-payment of certain borrowings availed by our subsidiary	2,937.00	-	2,937.00	2,937.00	-
Marketing and brand building activities	4,000.00	-	4,000.00	4,000.00	-
General Corporate Purposes	5,012.90	-	5,012.90	5,012.90	-
Strategic investment/acquisition in Avadh Snacks Private Limited	-	3,952.00	3,952.00	3,952.00	-
Total	**23,747.90**	**-**	**23,747.90**	**23,747.90**	**-**

The shareholders at the Annual General Meeting of the Company held on 28th September, 2018 had approved the variation in the following object as stated in the Prospectus:

- Funding capital expenditure requirements in relation to expansion (including through setting up of a new production line and construction of a building) and modernization at certain of our existing manufacturing facilities.

As stated in the Prospectus, a total amount of ₹ 6,699.80 lakhs was proposed to be utilised for the above object. However, after variation duly approved by the shareholders, an amount of ₹ 3,952.00 lakhs was utilised for strategic investment/acquisition of Avadh Snacks Private Limited during the year ended 31st March, 2019 and the remaining amount of ₹ 2,747.80 lakhs has been utilised during the year under review for the above mentioned object.

DIVIDEND

After considering the Company's profitability, cash flow and overall financial performance, the Board of Directors of the Company is pleased to recommend a dividend of INR 0.50 per equity share of face value of ₹ 5/- each (i.e. 10%) for the financial year ended 31st March, 2021. Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Dividend Distribution Policy of the Company has been disclosed on the website of the Company and the web link of the same is http://www.yellowdiamond.in/wp-content/uploads/2018/05/Dividend-Distribution-Policy-31st-May.pdf

RESERVES

For the financial year ended 31st March, 2021, no amount has been proposed to carry to General Reserve. However, ₹ 2,086.08 lakhs has been taken to surplus in the Statement of profit and loss.

SHARE CAPITAL

During the year under review, there is no change in the authorised, issued, subscribed and paid-up equity share capital of the Company. As on 31st March, 2021, the authorised share capital is ₹ 1,600.00 lakhs and issued, subscribed and paid-up equity share capital is ₹ 1,172.65 lakhs.

EMPLOYEE STOCK APPRECIATION RIGHTS (ESAR) PLAN

The Company has framed Prataap Employees Stock Appreciation Rights Plan 2018 ("ESARP 2018") pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014. During the year under review, there was no change in the ESARP 2018. The disclosure pursuant to the provisions of Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital And Debentures) Rules, 2014 is given in Annexure-I, which is annexed hereto and forms part of the Board's Report and also disclosed on the website of the Company and can be accessed at http://www.yellowdiamond.in/wp-content/uploads/2021/06/Disclosure-of-ESARs-31.03.2021.pdf. The ESARP 2018 is in compliance with applicable provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014.

DEPOSITS

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

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual financial statements for the year ended 31st March, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed along with proper explanation relating to material departures, if any;

(b) the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and the profit and loss of the Company for the year ended on that date;

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

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

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

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

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

The Risk Management Committee has been entrusted with the responsibility to assist the Board in overseeing and recommending/approving the Company's enterprise risk management framework.

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

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

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

HUMAN RESOURCE

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

Your Company recognises people as its most valuable asset and has kept a sharp focus on employee engagement. Your Company's human resource is commensurate with its size, nature and operations. The Company's Industrial Relations remained cordial and harmonious throughout the year.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Apoorva Kumat (DIN: 02630764), Director will retire by rotation at the ensuing 12th Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company. The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing 12th Annual General Meeting of the Company.

The present first term of Mr. Chetan Kumar Mathur (DIN: 00437558), Independent Director will complete on 6th August, 2021. Considering his knowledge, expertise in the fields of finance, corporate governance and other discipline related to Company's business, experience of Food & Beverages industry, performance evaluation and the contribution made by him during his tenure as an Independent Director, the Nomination and Remuneration Committee and the Board of Directors has recommended his re-appointment as Independent Director of the Company for the second term of five consecutive years with effect from 7th August, 2021 to 6th August, 2026, not liable to retire by rotation.

The present term of Mr. Arvind Mehta (DIN: 00215183), as Executive Director will complete on 22nd September, 2021. Considering his knowledge, rich and varied experience of snacks industry, the overall performance of the Company during his tenure, the Board of Directors based on the recommendation of Nomination and Remuneration Committee, has approved re-appointment and terms of remuneration of Mr. Arvind Mehta as Executive Director of the Company for another term of five years with effect from 23rd September, 2021 to 22nd September, 2026 subject to the approval of members at the ensuing 12th Annual General Meeting of the Company.

The present term of Mr. Amit Kumat (DIN: 02663687), as Managing Director and Chief Executive Officer will complete on 22nd September, 2021. Considering his knowledge, rich and varied experience of snacks industry, the overall performance of the Company during his tenure, the Board of Directors based on the recommendation of Nomination and Remuneration Committee, has approved re-appointment and terms of remuneration of Mr. Amit Kumat as Managing Director and Chief Executive Officer of the Company for another term of five years with effect from 23rd September, 2021 to 22nd September, 2026 subject to the approval of members at the ensuing 12th Annual General Meeting of the Company.

The present term of Mr. Apoorva Kumat (DIN: 02630764), as Executive Director (Operations) will complete on 1st November, 2021. Considering his knowledge, rich and varied experience of snacks industry, the overall performance of the Company during his tenure, the Board of Directors based on the recommendation of Nomination and Remuneration Committee, has approved re-appointment and terms of remuneration of Mr. Apoorva Kumat as Executive Director (Operations) of the Company for another term of five years with effect from 2nd November, 2021 to 1st November, 2026 subject to the approval of members at the ensuing 12th Annual General Meeting of the Company.

The brief resume and other information/details of Mr. Chetan Kumar Mathur, Mr. Arvind Metha, Mr. Amit Kumat and Mr. Apoorva Kumat seeking re-appointment, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) are given in the Notice of the ensuing 12th Annual General Meeting, which forms part of the Annual Report.

KEY MANAGERIAL PERSONNEL

Mr. Arvind Mehta, Chairman and Executive Director, Mr. Amit Kumat, Managing Director and Chief Executive Officer, Mr. Apoorva Kumat, Executive Director (Operations), Mr. Sumit Sharma, Chief Financial

Officer and Mr. Om Prakash Pandey, Company Secretary and Compliance Officer are the key managerial personnel of the Company. During the year under review, there was no change in the key managerial personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of your Company viz. Mrs. Anisha Motwani (DIN: 06943493), Mr. Vineet Kumar Kapila (DIN: 00056582), Mr. Haresh Ram Chawla (DIN: 00029828), Mr. Chetan Kumar Mathur (DIN: 00437558) and Mr. V.T. Bharadwaj (DIN: 02918495) have individually given a declaration pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance to the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the declarations received from Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the management and have fulfilled the conditions as specified under the governing provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETINGS OF BOARD AND COMPOSITION OF COMMITTEES

During the financial year ended 31st March, 2021, five (5) Board meetings were held on 17th June, 2020, 11th August, 2020, 28th September, 2020, 05th November, 2020 and 04th February, 2021.

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

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

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

SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In terms of the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and

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

AUDITOR

In terms of provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), the existing Auditor of the Company will hold office as such till the conclusion of ensuing 12th Annual General Meeting of the Company upon completion of their aggregate term of ten (10) consecutive years.

In line with the above requirements, the Board of Directors on the recommendation of the Audit Committee has recommended to the members of the Company the appointment of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Auditor of the Company for a term of five (5) consecutive years commencing from the conclusion of ensuing 12th Annual General Meeting till the conclusion of the 17th Annual General Meeting of the Company. B S R & Co. LLP, Chartered Accountants has confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as Auditor in terms of the provisions of Section 139 and Section 141 of the Companies Act, 2013 and rules made thereunder.

The Board placed on record its appreciation for the contribution of S R B C & CO LLP, Chartered Accountants as Auditor of the Company.

The Board commend to seek approval of the members of the Company for appointment of B S R & Co. LLP, Chartered Accountants as Auditor of the Company.

AUDITOR'S REPORT

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Ritesh Gupta & Co., Company Secretaries in practice were appointed to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2021. The Report of the Secretarial Auditor for the financial year ended 31st March, 2021 is given in Annexure-III, which is annexed hereto and forms part of the Board's Report. No qualification, observation or adverse remark have been made by Secretarial Auditor in the Secretarial Audit Report, which calls for any comment or explanation.

INTERNAL AUDITOR

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

COST AUDITOR

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

As on 31st March, 2021, your Company has two subsidiaries, viz. Avadh Snacks Private Limited (Avadh) and Red Rotopack Private Limited (Red Rotopack). Your Company does not have any associate or joint venture. Avadh is engaged in the manufacturing and selling of branded packaged snacks under brand name "Avadh". Avadh has a well diversified and strong product portfolio of namkeens like bhujia, chevda, fafda, gathiya, etc. and extruded pellets like wheels, cups, pasta, etc. with strong presence in the state of Gujarat and expanding to Maharashtra, Rajasthan and Uttar Pradesh. Red Rotopack has been incorporated for a backward integration to manufacture and supply packaging material for Avadh's products.

During the year under review, your Company has further acquired 78,735 (10.48%) equity shares of Avadh, for an aggregate value of ₹ 3,300.01 lakhs. Post acquisition, your Company holds 90.48% of equity share capital of Avadh.

The overall revenue of Avadh for the year ended 31st March, 2021 has declined primarily due to spread of COVID-19 pandemic and nationwide lockdown in first quarter of the year under review. However, towards the end of the year under review, the business recovered and Avadh delivered a substantial growth in last quarter. During the year under review, there was no production of laminates, the packaging material, which manufactured by Red Rotopack and used by Avadh for its products as the same is available at competitive rates in the market.

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder read with Indian Accounting Standards, specified under the Companies (Indian Accounting Standards) Rules, 2015, the consolidated financial statements of the Company as at and for the year ended 31st March, 2021, forms part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

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

PARTICULARS OF EMPLOYEES

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

ANNUAL RETURN

In compliance with the provisions of Section 92 of the Companies Act, 2013, the Annual Return of the Company for the financial year ended 31st March, 2021 has been uploaded on the website of the Company and the web link of the same is http://www.yellowdiamond.in/wp-content/uploads/2021/07/Form_MGT-7-PSL-2020-21.pdf

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

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

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

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

GENERAL

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

1. Material changes and/or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this Report.
2. Significant or material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.
3. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-time Directors of the Company.
4. Buy back of securities/issue of sweat equity shares/issue of equity shares with differential rights.
5. Matters reported by the Auditor under Section 143(12) of the Companies Act, 2013 either to the Audit Committee, Board of Directors or the Central Government.
6. Revision of the previous year's financial statements.
7. Change in the nature of business of the Company.
8. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
9. One-time settlement with any bank or financial institution.

ACKNOWLEDGEMENT

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

Yours faithfully,

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

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

Place: Indore
Date: 28th May, 2021

ANNEXURE-I

Disclosure under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations') read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 and Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time: Please refer to Note No. 43 of Notes to standalone financial statements forms part of the Annual Report.

B. Diluted Earnings per Share (EPS) on issue of equity shares on exercise of ESARs calculated in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per Share': ₹ 8.89

C. Details related to SAR

Sr. No.	Particulars	Prataap Snacks Limited Employee Stock Appreciation Rights Plan 2018 (ESARP 2018)
(i)	A description of each SAR scheme that existed at any time during the year, including the general terms and conditions of each SAR scheme, including -	
a)	Date of shareholders' approval	28th September, 2018
b)	Total number of shares approved under the SAR scheme	3,51,000 equity shares
c)	Vesting requirements	ESARs granted under ESARP 2018 would vest after a minimum period of 1 year but not later than a maximum period of 5 years from the grant date of such ESARs.
d)	SAR Price or Pricing Formula	Price per ESAR: ₹ 775.00 (Rupees Seven hundred seventy five only)
e)	Maximum term of SAR granted	5 years from the grant date
f)	Method of settlement (whether in cash or equity)	Equity (Further, if the settlement results in fractional shares, then the consideration for fractional shares shall be settled in cash or in the manner as may be decided by the Nomination and Remuneration Committee.)
g)	Choice of settlement (with the company or the employee or combination)	With the employee
h)	Source of shares (primary, secondary or combination)	Primary
i)	Variation in terms of scheme	There is no variation
(ii)	Method used to account for SAR - Intrinsic or fair value.	Fair value
(iii)	Where the company opts for expensing of SAR using the intrinsic value of SAR, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of SAR, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
(iv)	SAR movement during the year	
a)	Number of SARs outstanding at the beginning of the year	3,47,000
b)	Number of SARs granted during the year	Nil
c)	Number of SARs forfeited/lapsed during the year	6,499

Sr. No.	Particulars	Prataap Snacks Limited Employee Stock Appreciation Rights Plan 2018 (ESARP 2018)
d)	Number of SARs vested during the year	84,098
e)	Number of SARs exercised/settled during the year	Nil
f)	Number of SARs outstanding at the end of the year	3,40,501
g)	Number of SARs exercisable at the end of the year	84,098
h)	Total number of shares arising as a result of exercise of SARs	Nil Total number of shares covered and to be allotted upon exercise as under: Number of shares to be allotted = (Appreciation per ESAR x Number of ESARs exercised)/Market price with reference to date of exercise
i)	Exercise price	ESAR grantee shall pay the face value of a share prevailing at the time of such allotment per share allotted subject to additional payment/recovery of applicable taxes. The present face value of share is ₹ 5.00 per share.
j)	Money realised by exercise of SARs	Nil
k)	Total number of SARs in force	3,40,501
(v)	Employee wise details (name of employee, designation, number of SAR granted during the year, exercise price) of SAR granted to:	
	a) Senior managerial personnel (including key managerial personnel);	Nil
	b) any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and	Nil
	c) identified employees who were granted SAR, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
(vi)	Disclosures in respect of grants made in three years prior to IPO under each SAR scheme Until all SARs granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such SARs shall also be made	Not Applicable

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

Arvind Mehta
Chairman and
Executive Director
DIN: 00215183

Amit Kumat
Managing Director and
Chief Executive Officer
DIN: 02663687

Place: Indore
Date: 28th May, 2021

ANNEXURE-II

Annual Report on CSR Activities

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

1. **Brief outline on CSR Policy of the Company:**

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

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

2. **Composition of CSR Committee:**

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

3. **Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

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

   a. Composition of CSR Committee: http://www.yellowdiamond.in/investor-relations/
   b. CSR Policy: http://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-Policy-Prataap-Snacks-1.pdf
   c. CSR projects: http://www.yellowdiamond.in/wp-content/uploads/2021/06/CSR-projects-for-financial-year-2020-21-1.pdf

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

   Not Applicable.

5. **Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2020-21	Nil	Nil
	Total	**Nil**	**Nil**

6. **Average net profit of the Company as per section 135(5):** ₹ 6,125.31 lakhs

7. (a) **Two percent of average net profit of the Company as per Section 135(5):** ₹ 122.51 lakhs
   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

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

(d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 122.51 lakhs

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

(₹ in lakhs)

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

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

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

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

(₹ in lakhs)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Distribution of food packets during the spread of pandemic COVID-19	Item no. (i) (eradicating hunger); and Item no. (xii) (disaster management)	Yes	Madhya Pradesh	Indore	30.00	Yes	N.A.	N.A.
2.	Distribution of Company's products during the spread of pandemic COVID-19	Item no. (i) (eradicating hunger); and Item no. (xii) (disaster management)	Yes (Local and other states)	Madhya Pradesh, Karnataka, Tamil Nadu, Uttar Pradesh, Delhi, Maharashtra and Rajasthan	Indore, Bengaluru, Chennai Lucknow, Delhi, Nagpur and Jaipur	87.50	Yes	N.A.	N.A.
3.	Renovation/repair of a government school situated at Pipliya Luhar, Tehsil Mhow, Indore	Item no. (ii) (promoting education)	Yes	Madhya Pradesh	Indore	5.68	Yes	N.A.	N.A.
	Total					**123.18**			

(d) **Amount spent in Administrative Overheads:** Nil

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** 123.18 lakhs

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

(₹ in lakhs)

Sr. No.	Particular	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	122.51
(ii)	Total amount spent for the Financial Year	123.18
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.67
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.67

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

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

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

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

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**

Not Applicable.

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):**

Not Applicable.

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

Arvind Mehta	**Amit Kumat**	**Anisha Motwani**
Chairman and Executive Director	Managing Director and Chief Executive Officer	Chairperson CSR Committee
DIN: 00215183	DIN: 02663687	DIN: 06943493

Place: Indore
Date: 28th May, 2021

Place: New Delhi
Date: 28th May, 2021

ANNEXURE-III

FORM No. MR - 3

Secretarial Audit Report

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

For the Financial Year ended 31st March, 2021

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

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

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

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

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

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

  (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

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

  - Food Safety and Standards Act, 2006
  - Trade Marks Act, 1999
  - Legal Metrology Act, 2009

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

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

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

I report that the equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI

Act') are not applicable to the Company during the financial year under report:-

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

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

c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

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

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

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

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

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

I further report that no event occurred during the audit period having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations and guidelines, standards, etc.

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

Ritesh Gupta
CP: 3764 | FCS: 5200
UDIN: F005200C000384579

Date: 28th May, 2021
Place: Indore

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

Annexure-'A' to the Secretarial Audit Report

To,
The Members,
Prataap Snacks Limited

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

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

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

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. The compliances of subsidiaries companies not been reviewed in this audit.

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

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

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

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

Ritesh Gupta
CP: 3764 | FCS: 5200
UDIN: F005200C0000384579

Date: 28th May, 2021
Place: Indore

ANNEXURE-IV

Details pertaining to Remuneration

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

1. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the year ended 31st March, 2021 is as under:

Name of Director	Remuneration (₹ in lakhs)	Ratio of remuneration of Director to the Median remuneration
Mr. Arvind Mehta Chairman and Executive Director	67.50	27.56
Mr. Amit Kumat Managing Director and Chief Executive Officer	67.50	27.56
Mr. Apoorva Kumat Executive Director (Operations)	67.50	27.56
Mrs. Anisha Motwani Independent Director	12.30	5.02
Mr. Vineet Kumar Kapila Independent Director	12.30	5.02
Mr. Haresh Ram Chawla Independent Director	11.40	4.65
Mr. Chetan Kumar Mathur Independent Director	12.84	5.24
Mr. V.T. Bharadwaj Independent Director	11.82	4.83

Notes:

a) Remuneration comprises of salary and perquisites.

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

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

2. Percentage increase/(decrease) in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2020-21 is as under:

Name of Director/KMP	Remuneration (₹ in lakhs)	% increase/(decrease) in remuneration
Mr. Arvind Mehta Chairman and Executive Director	67.50	(10.00)
Mr. Amit Kumat Managing Director and Chief Executive Officer	67.50	(10.00)
Mr. Apoorva Kumat Executive Director (Operations)	67.50	(10.00)
Mrs. Anisha Motwani Independent Director	12.30	(4.65)
Mr. Vineet Kumar Kapila Independent Director	12.30	48.19
Mr. Haresh Ram Chawla Independent Director	11.40	9.42
Mr. Chetan Kumar Mathur Independent Director	12.84	7.00

Name of Director/KMP	Remuneration (₹ in lakhs)	% increase/(decrease) in remuneration
Mr. V.T. Bharadwaj Independent Director	11.82	21.86
Mr. Sumit Sharma Chief Financial Officer	45.70	(1.64)
Mr. Om Prakash Pandey Company Secretary and Compliance Officer	22.98	(4.43)

Notes:

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

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

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

3. There was no increase in the remuneration of employees in the financial year 2020-21. Hence, percentage increase in the median remuneration of employees in the financial year 2020-21 is not applicable. The median remuneration of employees is ₹ 2.45 lakhs for the financial year 2020-21.

4. There were total 907 permanent employees on the roll of the Company as on 31st March, 2021.

5. There was no increase in the salaries of employees and managerial remuneration of executive directors in the financial year 2020-21. Hence, average percentage increase made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and other details is not applicable for the financial year 2020-21.

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

7. Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2021:

Sr. No.	Name and Designation	Age (in years)	Remuneration (₹ in lakhs)	Qualification	Experience (in years)	Last employment	Commencement of employment
1.	Mr. Subhashis Basu, Chief Operating Officer	53	128.95	Bachelor's Degree in Science (Economics)	29	Mother Dairy Fruit and Vegetables Private Limited	01.05.2017
2.	Mr. Sumit Sharma, Chief Financial Officer	44	45.38	Chartered Accountant and B.Com	19	L&T Case Equipment Private Limited	15.02.2012
3.	Mr. Subhash Bhatt, Vice President – Operation	50	36.65	Bachelor's of Engineering	25	Prakash Snacks Private Limited	01.01.2004
4.	Mr. Awadh Bihari Singh, General Manager Sales – East	59	35.33	Bachelor's Degree in Science (Hons).	33	Chhajed Food (I) Limited	01.01.2005
5.	Mr. Rajkumar Kalra, General Manager Sales – North	54	34.82	Bachelor's Degree in Art	33	Paras Mineral Water Private Limited	01.04.2012
6.	Mr. D.V. Praveen Kumar, General Manager Sales – South	54	32.41	Bachelor's Degree in Commerce	33	PepsiCo-Atlas Dina Co.	20.11.2018

Sr. No.	Name and Designation	Age (in years)	Remuneration (₹ in lakhs)	Qualification	Experience (in years)	Last employment	Commencement of employment
7.	Mr. Deepak Brahme, Vice President – Operation	52	29.98	Diploma in Production Management and Bachelor's Degree in Science	25	M.B. Foods Private Limited	01.12.2005
8.	Mr. Abhijit Singh, Regional Manager Sales – East	32	26.42	Master of Management Studies (Marketing)	7	ABD India Private Limited	20.06.2014
9.	Mr. Mahesh Purohit, General Manager Sales – West	51	24.39	Bachelor's Degree in Commerce	24	Candico (I) Limited	05.01.2006
10.	Mr. Om Prakash Pandey Company Secretary and Compliance Officer	38	22.98	Company Secretary, LLB and B.Com	15	Universal Cables Limited	03.10.2018

Notes:

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

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

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

Arvind Mehta
Chairman and
Executive Director
DIN: 00215183

Amit Kumat
Managing Director and
Chief Executive Officer
DIN: 02663687

Place: Indore
Date: 28th May, 2021

ANNEXURE-V

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

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

(A) CONSERVATION OF ENERGY:

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

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

- Manual collection of washed moong dal under process through trolley instead of conveyor belt to minimise the usage of electricity required for running the conveyor belt.
- Kettle with 21 flames system has been modified and converted into single flame system to control and reduce the consumption of piped natural gas (PNG) in popcorn product line.
- Placement of one small size oil filter tank in place of two large size oil filter tank. Having two oil filter tanks, the motor had to work in two different places, which result in increase in electricity consumption.
- Installation of automatic temperature controller wherever necessary to minimise the electricity consumption.
- Individually monitoring of each electrical panel's power factor by our internal maintenance team to avoid power factor penalties.
- Laminate waste now directly sell out to vendor without cutting. This is an attempt to save electricity use in cutting process.

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

- Use of bio-mass briquettes for generating heat for manufacturing process.
- We are using the solar power at Indore Plant. During the financial year 2020-21, almost 40% of power need of Indore plant has been fulfilled by solar power.

(iii) Capital investment on energy conservation equipments:

Capital expenditure on energy conservation equipments has not separately accounted.

(B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

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

- Installation of conveyor belt between the fryer and packing elevator in moong dal product line to avoid product spillage and extra movement of product.
- Installation of Ribbon blender machine in namkeen unit for proper mixing of flavour in raw material.
- Fixing of Teflon strip on both side of conveyor belt in popcorn finished good line to stop breaking of popcorn and avoid wastage of finished product.
- Replacement of online conveyor belt with width of 520 mm and depth of 120 mm in popcorn line to resolve harvesting, breaking, spilling and overflow of raw popcorn.
- EGA software installed for EGA monitoring of packing machines in chips unit.

- Fixing of 4 inches width and 6 feet long pipe for air circulation in all the five layers of oven used for roasting for rings product to resolve the problem of air circulation and low temperature.
- Replacement of old fryer with new technology fryer in chulbule unit.

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

- Low wastage of raw material and finished goods.
- Higher productivity, lesser production cost and reduced power and fuel cost.
- Reduced maintenance time and cost, improved hygienic condition and consistency in quality.

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

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

(iv) Expenditure incurred on Research and Development:

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, the foreign exchange outgo in terms of actual outflows was ₹ 12.75 lakhs while foreign exchange earned in terms of actual inflows was ₹ 99.76 lakhs.

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

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

Place: Indore
Date: 28th May, 2021

Business Responsibility Report

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L15311MP2009PLC021746
2.	Name of the Company	Prataap Snacks Limited
3.	Registered address	Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh, India
4.	Website	www.yellowdiamond.in
5.	E-mail id	complianceofficer@yellowdiamond.in
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code: 1030 Description: Potato chips, namkeen and other snacks Code: 1071 Description: Sweet snacks like cakes and pies
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Potato chips Namkeen Extruded snacks
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	N.A.
	(b) Number of National Locations	5 (owned manufacturing locations) and 8 (third party manufacturing locations)
10.	Markets served by the Company Local/State/ National/International	Local, State, National and International

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 1,172.65 lakhs
2.	Total Turnover (INR)	₹ 1,01,037.57 lakhs
3.	Total profit after taxes (INR)	₹ 2,086.08 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Kindly refer Annexure – II of Board's Report

SECTION C : OTHER DETAILS

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

SECTION D : BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head

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

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

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

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

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

10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.

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

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

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Integrity, Ethics, Transparency & Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	The Company has Anti-corruption policy and also adopted the Code of Conduct for its Directors, senior management and employees that cover issues related to ethics, workplace responsibilities and conflict of interest. Both, Anti-corruption policy and Code of conduct cover dealings with suppliers, customers and other business associates. Further, the Company has adopted a Vigil Mechanism/Whistle Blower Policy to provide a mechanism for employees and directors to approach the Vigilance Officer/Chairperson of Audit Committee for reporting unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or instances of leak of Unpublished Price Sensitive Information.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has received fifteen (15) complaints from the investor/shareholder out of which fourteen (14) complaints were promptly attended and resolved and one (1) complaint remains unresolved at the end of financial year. The one compliant which remains unresolved at the end of financial year, resolved on 15th April, 2021.

Principle 2: Sustainable and Safe Goods and Services

1.	List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	The Company is committed to attain environmental and economic benefits from efficient use of energy, water and waste reduction. The Company understands its obligations relating to social and environmental concerns, risks and opportunities. The Company ensures fulfilment of compliance obligations that relate to its products, environmental aspects and occupational health and safety. The products are: i. Potato Chips ii. Namkeen iii. Extruded Snacks iv. Sweet Snacks
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	
	(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?	The Company is committed to environmental sustainability. The Company works towards reduction and optimal utilisation of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas.
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company's products do not have any broad-based impact on energy and water consumption by consumers.
3.	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company has a structured procedure, which is followed before collaborating with any business partners/associates. Our contracts/purchase order have appropriate clauses to prevent the employment of child labour or forced labour in any form. The Company emphasis on local sourcing which help in reducing the transportation cost.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company believes in inclusive growth and encourages local sourcing wherever possible. Local suppliers/vendors are evaluated based on the quality parameters set by the Company.
5.	Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company while pursuing energy efficiency programs in the plants also takes initiatives for recycling of wastes generated during production. Most of the Company's manufacturing units are committed to zero discharge. The Company recover the starch from the effluent discharged from the Chips plant at Indore. The water from the effluent treatment plant is recycled within the factory and used in maintaining greenbelts/ gardens/landscapes.

Principle 3: Wellbeing of Employees

1.	Please indicate the Total number of employees.	907 as on 31st March, 2021
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	1238 as on 31st March, 2021
3.	Please indicate the Number of permanent women employees.	6 as on 31st March, 2021
4.	Please indicate the Number of permanent employees with disabilities.	5 as on 31st March, 2021

5.	Do you have an employee association that is recognised by management.	There is no employee association in the Company.
6.	What percentage of your permanent employees is members of this recognised employee association?	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil

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

8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	The Company organises several training programs for its employees. The training content is based on the roles and responsibilities of the employees in different grades and departments. Details of safety training conducted during the financial year 2020-21 is as under:

Sr. No.	Employee Category	% of Employees that were given safety training*
(a)	Permanent Employees	100%
(b)	Permanent Women Employees	100%
(c)	Casual/Temporary/Contractual Employees	90%
(d)	Employees with Disabilities	100%

*% is for the employee working at the plants of the Company.

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

Principle 4: Respect and Responsiveness to all Stakeholders

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

Principle 5: Respect and Promote Human Rights

1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Policy relating to respecting and promoting human rights covers the Company and group. The Company encourage its business partners and third parties with whom it conducts business to abide by this policy.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the financial year 2020-21, the Company did not receive any complaint with regard to violation of human rights.

Principle 6: Respect, Protect and Restore the Environment

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	The Policy relating to respecting, protecting and restoring the Environment covers the Company only. The Company ensures that it is implemented at all the levels.
2.	Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	The Company understands the global issue of climate change and has incorporated possible actions to address it. We have taken following initiatives towards mitigating the environmental impact, wherever feasible: **Water conservation programmes:** The Company believes water is a critical resource and hence work towards minimizing its fresh water requirements through initiatives such as rain water harvesting, use of water efficient fixtures and sewage treatment plants. **Bio fuel:** We are using bio briquettes as a fuel at our Indore plant as an alternative to conventional fuel such as diesel/piped natural gas (PNG). **Solar Power:** We are using the solar power at Indore Plant. During the financial year 2020-21, almost 40% of power need of Indore plant has been fulfilled by solar power. **LED lightings:** We use LED light fixtures, thereby conserving energy, year by year. **Collection and disposal of empty multi-layer plastic packets of products**: Collection and disposal of empty multi-layer plastic packets of products through various approved NGOs.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes. The Company has identified and regularly assess the potential impacts of its operations on the environment.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No.
5.	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.	Yes. The Company has taken various initiatives on clean technology, energy efficiency, renewable energy etc., to reduce its impact on the environment. The details of initiatives taken for conservation of energy are given in Annexure-V of Board's Report and the same is uploaded on the website of the Company and can be accessed through the web link http://www.yellowdiamond.in/investor-relations/
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.
7.	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.	No show cause/legal notices received from CPCB/SPCB and pending as on end of the financial year 2020-21.

Principle 7: Responsible and Transparent Policy Advocacy

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

Principle 8 : Promote Inclusive Growth and Equitable Development

1.	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company is continuously engaged in Corporate Social Responsibility (CSR) programmes/activities, which creates sustainable livelihoods, especially among the weaker section of the society. Company works with a clear goal to give back to the society in such a way that the needs of the weaker sections are met and improvements are made in the quality of their lives. The report on the CSR projects/activities carried out by the Company is annexed with the Board's Report. Kindly refer Annexure–II of Board's Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	Programmes/projects/activities are undertaken directly by the Company.
3.	Have you done any impact assessment of your initiative?	The Company internally assess the impact of the CSR projects/ programmes/activities undertaken. An update on the CSR projects/programmes/activities is placed at the Board and CSR Committee meetings.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	The Company has spent ₹ 123.18 lakhs on CSR activities. For projects/activities details, kindly refer Annexure-II of Board's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The CSR projects and programmes are undertaken after identifying the communities that require development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively.

Principle 9: Provide Value to Customer Responsibly

1.	What percentage of customer complaints/ consumer cases are pending as on the end of the financial year	A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same. As on the end of the financial year, there was negligible percentage of unresolved customer complaints. Further, there are no consumer cases pending as on end of the financial year 2020-21.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Yes. The Company displays product information on the products label. The Company also has a website, which provides information of its products i.e. www.yellowdiamond.in.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of the financial year. If so, provide details thereof, in about 50 words or so.	No case have been filed against the Company for unfair trade practices, irresponsible advertising and anti-competitive behavior during the last five years and pending as on end of the financial year.
4.	Did your company carry out any consumer survey/consumer satisfaction trends?	Yes. Consumer satisfaction surveys are being conducted periodically to assess the consumer satisfaction levels and consumer's trends.

Report on Corporate Governance

Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), the Company's Report on Corporate Governance for the year ended 31st March, 2021 is set out below:

COMPANY PHILOSOPHY:

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

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

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

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

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

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

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

BOARD OF DIRECTORS:

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

As on 31st March, 2021, the Board of Directors of your Company comprised of nine (9) Directors. The Board has an optimum combination of executive and non-executive directors including one woman independent director. Out of total nine (9), three (3) are Executive Directors, one (1) is Non-Executive Non-Independent Director and five (5) are Independent Directors. As the Chairman of the Board is not a regular non-executive director, the requirement of atleast half of the Board of Directors comprising of independent directors also met. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

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

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

Name of the Director	Category	Attendance Particulars		Number of other Board of directors or committees in which director is a member or chairperson			Name of other listed companies and category of directorship
		Board Meeting	Last AGM	Directorship in other companies	Committee membership in other companies	Committee chairpersonship in other companies	
Mr. Arvind Mehta Chairman and Executive Director	Promoter, Executive	4	Yes	2	Nil	Nil	Nil
Mr. Amit Kumat Managing Director and Chief Executive Officer	Promoter, Executive	4	Yes	2	1	Nil	Nil
Mr. Apoorva Kumat Executive Director (Operations)	Promoter, Executive	5	Yes	1	Nil	Nil	Nil
Mr. G.V. Ravishankar	Non-Executive, Nominee (Sequoia Capital, equity investor)	4	No	3	Nil	Nil	Indigo Paints Limited (Non-Executive, Nominee)
Mrs. Anisha Motwani	Non-Executive, Independent	5	No	7	5	1	Abbott India Limited (Non-Executive, Independent) Welspun India Limited (Non-Executive, Independent) Somany Home Innovation Limited (Non-Executive, Independent) Angel Broking Limited (Non-Executive, Independent)
Mr. Vineet Kumar Kapila	Non-Executive, Independent	5	No	Nil	Nil	Nil	Nil
Mr. Haresh Ram Chawla	Non-Executive, Independent	5	No	Nil	Nil	Nil	Nil
Mr. Chetan Kumar Mathur	Non-Executive, Independent	5	Yes	Nil	Nil	Nil	Nil
Mr. V.T. Bharadwaj	Non-Executive, Independent	5	Yes	1	1	1	Nil

Notes:

1. Directorship in other companies exclude directorship in private limited companies, foreign companies and section 8 companies.
2. Committee membership/chairpersonship in other companies only includes Audit Committee and Stakeholders Relationship Committee in Indian public limited companies other than Prataap Snacks Limited.
3. None of the Independent Directors of the Company served as an Independent Director in more than 7 listed companies.
4. Brief profiles of the above Directors are available on the Company's website: www.yellowdiamond.in

Relationship between Director inter-se

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

Share and Convertible instruments held by Non-Executive Directors

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

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

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

Based on the declarations received from all Independent Directors, the Board in its meeting held on 28th May, 2021 have confirmed that in its opinion, the Independent Directors of the Company have fulfilled the criteria of independence specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management.

In accordance with Regulation 36(3) of the Listing Regulations, the brief resume and other information/details of Directors to be re-appointed at the ensuing 12th Annual General Meeting (AGM) of the Company is given in the AGM Notice.

BOARD MEETINGS:

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

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year ended 31st March, 2021, five (5) Board meetings were held on 17th June, 2020, 11th August, 2020, 28th September, 2020, 05th November, 2020 and 04th February, 2021. The time gap between the two meetings was within the maximum permissible /extended time gap as stipulated under Section 173(1) of the Companies Act, 2013, Regulation 17(2) of the Listing Regulations read with General Circular no. 11/2020 dated 24th March, 2020 issued by Ministry of Corporate Affairs and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020 issued by Securities and Exchange Board of India.

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

Familiarisation Programme for Independent Directors

The Company from time to time arrange familiarisation programme for Independent Directors to provide them an opportunity to familiarise with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with senior management personnel and are provided all documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry on which it is a part. During the course of Board/Committee Meeting(s), presentations are made on various matters, inter alia, covering the Company's business and operations, industry and regulatory updates, strategy, finance, risk management framework and other relevant matters as a part of familiarisation programmes. Details of familiarisation programmes imparted to Independent Directors is disclosed on the website of the Company and can be accessed through web link http://www.yellowdiamond.in/wp-content/uploads/2018/01/Details-of-Familiarisation-Programmes-imparted-to-Independent-Directors-1.pdf

Independent Directors Meeting

During the year under review, a separate meeting of Independent Directors was held on 17th June, 2020, inter-alia, to discuss:

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

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

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

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

COMMITTEES OF THE BOARD:

The Company has following Board level committees:

a) Audit Committee

b) Nomination and Remuneration Committee

c) Stakeholders Relationship Committee

d) Corporate Social Responsibility Committee

e) Risk Management Committee

AUDIT COMMITTEE:

The Audit Committee constituted by the Board of the Company is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the financial year ended 31st March, 2021, five (5) Audit Committee meetings were held on 17th June, 2020, 11th August, 2020, 28th September, 2020, 05th November, 2020 and 04th February, 2021. The time gap between the two meetings was within the maximum permissible/extended time gap as stipulated under Regulation 18(2) of the Listing Regulations read with Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020 issued by Securities and Exchange Board of India.

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

Name of the Member	Designation	No. of Meetings attended
Mr. Chetan Kumar Mathur	Chairman	5
Mr. Vineet Kumar Kapila	Member	5
Mrs. Anisha Motwani	Member	5
Mr. G.V. Ravishankar	Member	4

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

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

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

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

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

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

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

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

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

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

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

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

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

  (f) disclosure of any related party transactions;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOMINATION AND REMUNERATION COMMITTEE:

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

During the financial year ended 31st March, 2021, three (3) Nomination and Remuneration Committee meetings were held on 17th June, 2020, 11th August, 2020 and 05th November, 2020. The composition of the Nomination and Remuneration Committee and the details of meetings attended by the members thereof are given below:

Name of the Member	Designation	No. of Meetings attended
Mr. V.T. Bharadwaj	Chairman	3
Mr. Vineet Kumar Kapila	Member	3
Mr. G.V. Ravishankar	Member	3
Mr. Chetan Kumar Mathur (w.e.f. 11.08.2020)	Member	1

Note:

Mr. Chetan Kumar Mathur was appointed as Member of the Nomination and Remuneration Committee with effect from 11th August, 2020.

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

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

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

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

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

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

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

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

Performance Evaluation of Board, Committees and Directors

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

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

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

Remuneration policy

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

   The Independent Directors are paid remuneration by way of sitting fees and commission. The Independent Directors are paid sitting fees for each meeting of the Board and its Committees, attended by them. The Non-Executive Director and Independent Directors do not have any material pecuniary relationship or transactions with the Company.

2. **Remuneration to Executive Directors**

   The appointment and remuneration of Chairman and Executive Director, Managing Director and Chief Executive Officer and Executive Director (Operations) is governed by the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and Shareholders of the Company. The remuneration of Chairman and Executive Director, Managing Director and Chief Executive Officer and Executive Director (Operations) comprises of salary, perquisites and other retirement benefit. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy is displayed on the Company’s website viz. www.yellowdiamond.in

Remuneration of Directors for the year ended 31st March, 2021:

a. Non-Executive and Independent Directors

(₹ in lakhs)

Name of Director	Category	Sitting fees paid for FY 2020-21	Commission payable for FY 2020-21*
Mr. G.V. Ravishankar	Non-Executive Director	Nil	Nil
Mr. V.T. Bharadwaj	Independent Director	7.32	4.50
Mrs. Anisha Motwani	Independent Director	7.80	4.50
Mr. Vineet Kumar Kapila	Independent Director	7.80	4.50
Mr. Haresh Ram Chawla	Independent Director	6.90	4.50
Mr. Chetan Kumar Mathur	Independent Director	8.34	4.50

Note:

*Commission for FY 2020-21 approved by the Board in its meeting held on 28th May, 2021 will be paid in the FY 2021-22.

b. Executive Directors

(₹ in lakhs)

Particulars	Mr. Arvind Mehta Chairman and Executive Director	Mr. Amit Kumat Managing Director and Chief Executive Officer	Mr. Apoorva Kumat Executive Director (Operations)
Terms of Appointment	For a period of 5 years from 23rd September, 2016 to 22nd September, 2021.	For a period of 5 years from 23rd September, 2016 to 22nd September, 2021.	For a period of 3 years from 02nd November, 2018 to 01st November, 2021.
Salary	67.50	67.50	67.50
Bonus	Nil	Nil	Nil
Performance link incentive	Nil	Nil	Nil
Stock options	Nil	Nil	Nil
Perquisites	Nil	Nil	Nil
Minimum Remuneration	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy/ absence of profits.	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy/ absence of profits.	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy/ absence of profits.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee constituted by the Board of the Company is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

During the financial year ended 31st March, 2021, two (2) Stakeholders Relationship Committee meetings were held on 11th August, 2020 and 04th February, 2021. The minutes of Committee Meeting are placed before the Board for noting.

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

Name of the Member	Designation	No. of Meetings attended
Mr. V.T. Bharadwaj	Chairman	2
Mrs. Anisha Motwani	Member	2
Mr. Vineet Kumar Kapila	Member	2
Mr. Haresh Ram Chawla	Member	2
Mr. Arvind Mehta	Member	2

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

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

Name, designation and address of the Compliance Officer

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

Details of shareholders/investors complaints

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

The details of shareholders/investors complaint is as under:

Complaint outstanding as on 1st April, 2020	:	0
Compliant received during the financial year ended 31st March, 2021	:	15
Compliant resolved during the financial year ended 31st March, 2021	:	14
Complaint outstanding as on 31st March, 2021	:	1

No request for transfer was pending for approval as on 31st March, 2021.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

During the financial year ended 31st March, 2021, two (2) Corporate Social Responsibility Committee meetings were held on 17th June, 2020 and 11th August, 2020. The minutes of Committee Meeting are placed before the Board for noting.

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

Name of the Member	Designation	No. of Meetings attended
Mrs. Anisha Motwani	Chairperson	2
Mr. Haresh Ram Chawla	Member	2
Mr. V.T. Bharadwaj	Member	2
Mr. Arvind Mehta	Member	2
Mr. Amit Kumat	Member	2

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

The Terms of Reference of Corporate Social Responsibility Committee include the following:

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

RISK MANAGEMENT COMMITTEE:

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

During the financial year ended 31st March, 2021, three (3) Risk Management Committee meetings were held on 15th July, 2020, 05th November, 2020 and 04th February, 2021. The Minutes of Committee meeting are placed before the Board for noting.

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

Name of the Member	Designation	No. of Meetings attended
Mr. Chetan Kumar Mathur	Chairman	3
Mr. Haresh Ram Chawla	Member	3
Mr. G.V. Ravishankar	Member	3
Mr. Amit Kumat	Member	3

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

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

   (b) measures for risk mitigation including systems and processes for internal control of identified risks;

   (c) Business continuity plan;

2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;

4. Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) of the Company;

7. Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if consider necessary; and

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

GENERAL BODY MEETINGS:

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

Date & Time	Venue of the Meeting	Details of Special Resolution Passed
18th September, 2020 03:30 p.m.	Meeting held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). Registered Office of the Company (deemed venue of the AGM): Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore - 452020, Madhya Pradesh, India	No special resolution was passed in the meeting.
27th September, 2019 01:30 p.m.	Registered Office of the Company: Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore - 452020, Madhya Pradesh, India	1. Adoption of new set of Articles of Association of the Company in the form specified in Table F in Schedule I of the Companies Act, 2013.
28th September, 2018 11:00 a.m.	The Grand Bhagwati Palace, Omaxe City, Bypass Road, Mayakedi, Indore - 452016, Madhya Pradesh, India	1. Variation in the terms of Objects of the Initial Public Issue. 2. Approval of the "Prataap Employees Stock Appreciation Rights Plan, 2018". 3. Approval of the grant of employee stock appreciation rights to employees/directors of the subsidiary companies of the Company under "Prataap Employees Stock Appreciation Rights Plan, 2018".

Location and time, where last three Extra-ordinary General Meetings of the Company were held and details of special resolution passed:

Date & Time	Venue of the Meeting	Details of Special Resolution Passed
22nd August, 2017 11.00 a.m.	Registered Office of the Company at Indore, Madhya Pradesh, India	Approval to offer and issue of equity shares on a private placement basis.
3rd June, 2017 11.00 a.m.	Registered Office of the Company at Indore, Madhya Pradesh, India	Approval of Initial Public Offer. Adoption of new Articles of Association of the Company.
24th September, 2016 11.00 a.m.	Registered Office of the Company at Indore, Madhya Pradesh, India	Approval of Initial public offer. Adoption of new Articles of Association of the Company. Amendments to the Articles of Association of the Company. Increase in aggregate investment limit of foreign institutional investors. Appointment of Mr. Amit Kumat as the Managing Director of the Company.

POSTAL BALLOT:

No resolution was passed through postal ballot during the year 2020-21. Further, no special resolution is proposed to be conducted through postal ballot.

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date, Time and Venue : 5th August, 2021 at 03:30 P.M. IST
through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

Financial Year : Begins on 1st April and ends on 31st March of the following year.

Financial Calendar (2020-21) (tentative)
Quarterly Financial Results :

ending 30th June, 2021	In or before second week of August, 2021
ending 30th September, 2021	In or before second week of November, 2021
ending 31st December, 2021	In or before second week of February, 2022
ending 31st March, 2022	In or before last week of May, 2022

Book Closure date(s) : 30th July, 2021 to 5th August, 2021 (both days inclusive)

Dividend Payment date : On or before 3rd September, 2021

Listing on Stock Exchanges :

(a) BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001

(b) National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051

The Company has timely paid the Annual listing fees for the financial year 2020-21 to BSE and NSE.

Stock Codes : 540724 (BSE)
DIAMONDYD (NSE)

Demat ISIN Number for NSDL & CDSL : INE393P01035

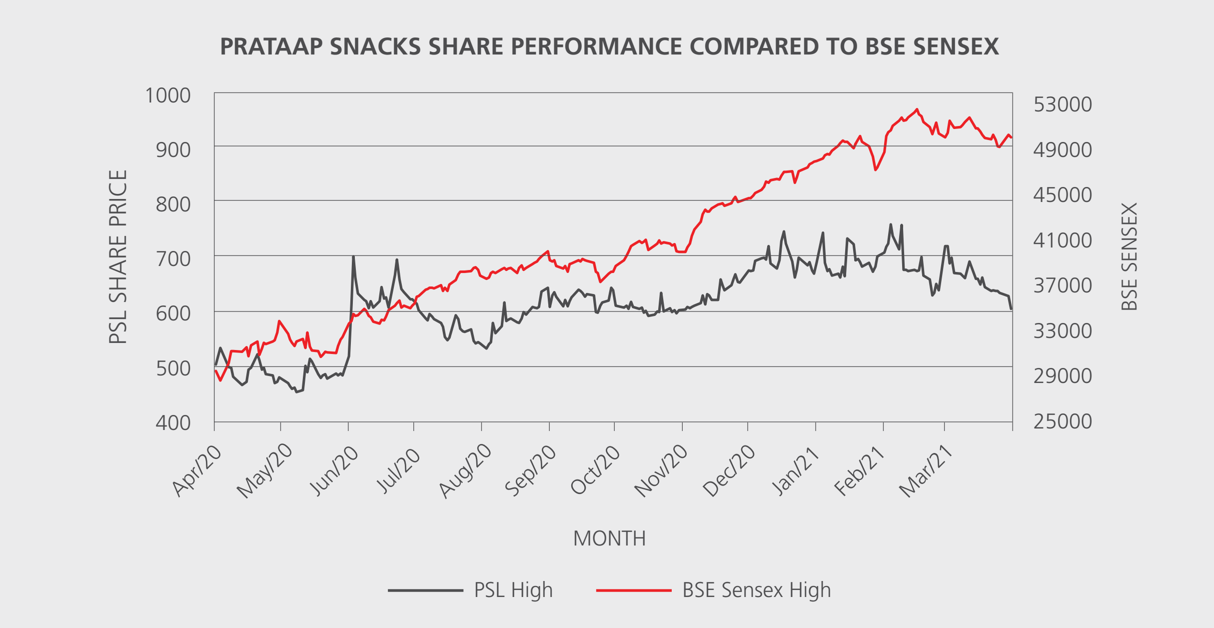
Stock Market Data

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

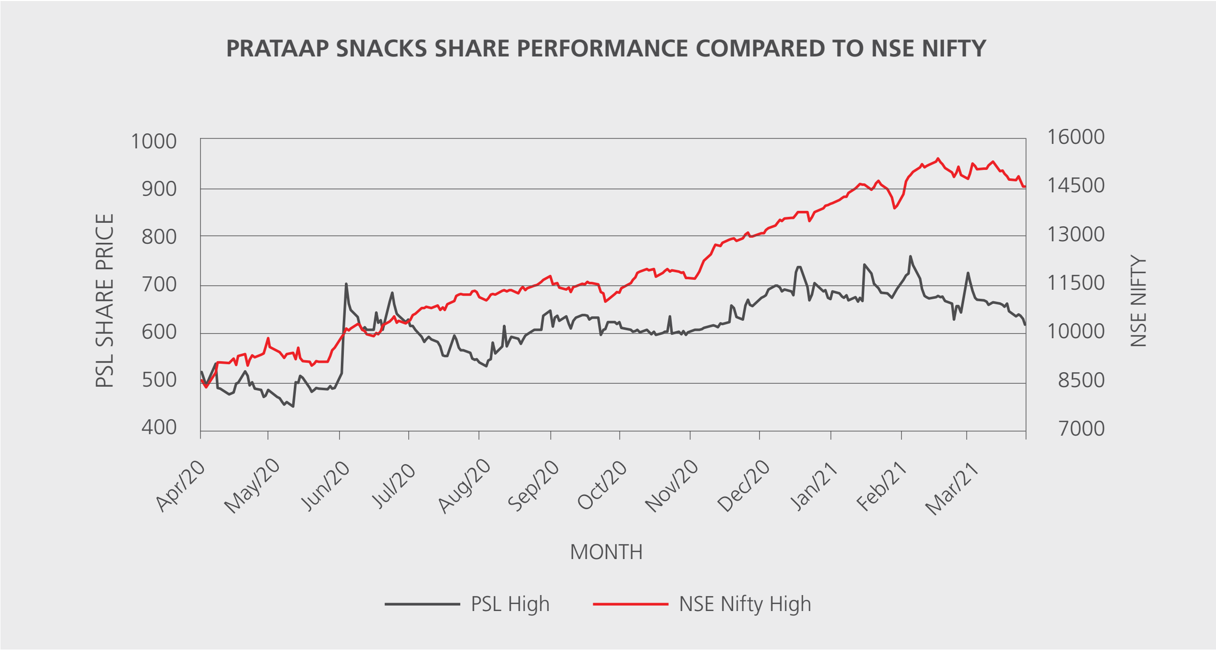
Month	BSE			NSE		
	High	Low	Monthly Volume (In Nos.)	High	Low	Monthly Volume (In Nos.)
April, 2020	535.00	441.20	1,79,514	540.00	440.20	13,85,316
May, 2020	515.00	435.10	30,353	514.90	435.10	6,77,366
June, 2020	702.00	492.20	83,551	703.70	486.50	15,98,820
July, 2020	618.30	520.00	37,028	618.00	522.35	3,64,220
August, 2020	644.55	519.05	2,26,802	648.80	521.00	4,90,690
September, 2020	644.20	575.00	2,11,076	640.00	570.10	4,59,755
October, 2020	635.00	560.70	11,358	636.75	561.10	77,898
November, 2020	669.10	586.95	18,335	671.50	582.00	1,10,499
December, 2020	747.00	634.00	17,495	739.00	631.80	1,69,203
January, 2021	744.50	633.90	33,204	743.95	628.90	2,43,710
February, 2021	760.00	602.65	36,918	760.45	601.35	2,83,070
March, 2021	720.00	564.95	29,290	727.10	575.90	1,74,563

Share price performance in comparison to broad based indices

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



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


PRATAAP SNACKS SHARE PERFORMANCE COMPARED TO NSE NIFTY

Registrar and Share Transfer Agent : KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium Tower B,
Plot No. 31 & 32
Financial District,
Nanakramguda,
Serilingampally Mandal,
Hyderabad-500032,
Telangana, India
Toll Free No.: 18003454001
Tel: (91 40) 67162222
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Share Transfer System

All matters pertaining to share transfer and related activities are handled by the Registrar and Share Transfer Agent of the Company who are fully equipped to carry out the transfers of shares. In case of shares in electronic form, the transfer are processed by NSDL/CDSL through respective depository participants. The request for dematerialisation of equity shares is confirmed/rejected within an average period of fifteen days. Transmission requests were processed for shares held in dematerialised form and physical form within seven days and twenty one days, respectively, after receipt of specified documents, complete in all respect, and dispatch of share certificates in physical form were generally completed within thirty days. As per amended Regulation 40 of the Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities is not processed effective from 1st April, 2019 unless the securities are held in dematerialised form with a depository. Members who are holding equity shares of the Company in physical form are therefore advised to dematerialise their equity shares for facilitating transfer of shares. The Company obtains from the Company Secretary in practice half-yearly certificate of compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files the same with the stock exchanges.

Distribution of shareholding as on 31st March, 2021

Number of equity shares held	Number of shareholders	% of shareholders	Number of equity shares held	% of shareholding
1 - 5,000	13,607	99.44	7,20,805	3.07
5,001 - 10,000	23	0.17	1,66,838	0.71
10,001 - 20,000	11	0.08	1,61,075	0.69
20,001 - 30,000	5	0.04	1,20,500	0.51
30,001 - 40,000	4	0.03	1,42,292	0.61
40,001 - 50,000	1	0.01	45,133	0.19
50,001 - 1,00,000	6	0.04	4,49,570	1.92
1,00,001 and above	26	0.19	2,16,46,823	92.30
Grand Total	**13,683**	**100.00**	**2,34,53,036**	**100.00**

Shareholding pattern as on 31st March, 2021

Shareholders	No. of shares held	% of Holding
Promoter and Promoter Group	1,67,64,562	71.48
Mutual Funds	26,05,987	11.11
Foreign Portfolio Investors	11,21,819	4.78
Resident Individual HUF, Trust	16,00,467	6.82
Alternative Investment Fund	8,22,972	3.51
Foreign Corporate Bodies	4,26,439	1.82
Corporate Bodies	84,633	0.36
Non-Resident Individual	26,157	0.11
Bank, Financial Institution	0	0.00
Total	**2,34,53,036**	**100.00**

Dematerialisation of shares and liquidity:

2,34,46,085 equity shares representing 99.97% of the total issued and listed equity share capital of the Company are held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March, 2021.

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

There are no GDRs/ADRs/Warrants or Convertible instruments outstanding as on 31st March, 2021.

Commodity price risk or foreign exchange risk and hedging activities:

(i) Commodity price risk and hedging activities

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated 15th November, 2018.

(ii) Foreign exchange risk and hedging activities

During the year ended 31st March, 2021, the foreign exchange exposure of the Company is nominal. The Company's management oversees the management of the risk. The details of foreign currency exposure are provided in Note No. 46 of Notes to standalone financial statements in the Annual Report.

Credit ratings

During the year ended 31st March, 2021, ICRA Limited has reaffirmed the long-term rating as under:

Instrument	Credit Rating	Agency
Long-term Fund based limit (unallocated)	[ICRA] A+ (Stable)	ICRA Limited

Dividend

The Board of Directors in their Meeting held on 28th May, 2021, has recommended dividend of 10% on equity shares of ₹ 5/- each of the Company (i.e. INR 0.50 per equity share), subject to approval of the members at the ensuing 12th Annual General Meeting for the financial year ended 31st March, 2021.

Unclaimed dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of Section 125 of the Companies Act, 2013. During the year ended 31st March, 2021, no amount was transferred to IEPF as there was no unpaid/unclaimed dividend for a period of seven years or more.

Demat suspense account/Unclaimed suspense account

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

Plant locations

State	Address
Owned location	
Madhya Pradesh	1. Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020, Madhya Pradesh 2. Survey No. 65/2, 66/1, 67/2, Gram Piplyalohar, Tehsil Mhow, Indore – 453441, Madhya Pradesh
Assam	1. North Guwahati, IOC Road, Main Road, Gauripur, Near Gauripur Thana, Amingaon, Dist. Kamrup, Guwahati - 781031, Assam 2. Plot No. 40-41, Brahmputra Industrial Park, Amingaon Guwahati -781031, Assam.
Karnataka	No. 260, Bommasandra Jigani Link Road, Jigani Hobli, Anekal Taluk, Bengaluru (Bangalore) Urban - 560105, Karnataka
Other location	
Karnataka	1. Industrial Area, Vasanathnarsapur Kora Hobli No. 26 B Tumkur - 572138, Karnataka 2. No.44/2, Kothanur Dinne, Sos College Bannerghatta Road, Near B.K.Circle Bus Stop, J.P. Nagar, 8th Phase, Bengaluru – 560076, Karnataka
West Bengal	1. Chakundi Dankuni, Hooghly - 712310, West Bengal 2. 11, Kanduah Food Park, Sankrail, Howrah – 711302, West Bengal
Gujarat	Plot No. 26/A, Ozone Industrial Park, Near Kerala GIDC, Taluka. Bavla, Ahmedabad - 382220, Gujarat
Uttarakhand	Khasra No. 53, Narain Nagar Industrial Estate, Bazpur Road, Kashipur, Udham Singh Nagar – 244713, Uttarakhand
Maharashtra	GAT No.142, Pali Budruk, Wavarle, Village Pali Budrak, Taluka Khalapur, Raigad – 410206, Maharashtra
Haryana	Plot No. 3-4, Sugan Vihar, Delhi Road, Hisar - 125001, Haryana

Address for correspondence

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

OTHER DISCLOSURES:

(a) There were no material significant related party transactions during the financial year 2020-21 which are considered to have potential conflict with the interests of the Company at large. Particulars and nature of transactions with the related parties entered into during the year ended 31st March, 2021, are disclosed in compliance with the "Ind AS" on Related Party Disclosure in Note No. 39 of Notes to standalone financial statements in the Annual Report.

(b) The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authority on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities on matter relating to capital markets.

(c) The Company has adopted a Vigil Mechanism/Whistle Blower Policy for developing a culture where it is safe for all directors/employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee. The quarterly report with number of complaints received if any, under the Policy and details thereof alongwith outcome is placed before the Audit Committee.

(d) The Company has complied with all the mandatory requirements as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations, to the extent applicable to the Company. The Company has presently not adopted the discretionary requirement of sending half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders. However, discretionary requirements viz. regime of financial statements with unmodified audit opinion and internal auditor may directly report to the Audit Committee are complied with. The discretionary requirement of maintenance of non-executive chairperson's office is not applicable.

(e) The Company has formulated a policy for determining material subsidiary of the Company. The said Policy is available on the website of the Company and can be accessed through web link http://www.yellowdiamond.in/wp-content/uploads/2021/06/Policy-for-determining-material-subsidiary.pdf

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

(g) The Company has not raised any fund through preferential allotment or qualified institutions placement, hence the disclosure of details of utilisation of the fund as specified under Regulation 32(7A) of the Listing Regulations is not applicable.

(h) The Company has obtained a Certificate from M/s. Ritesh Gupta & Co., Company Secretaries in practice certifying that none of the Directors on the Board of the Company for the year ended 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

(i) During the year ended 31st March, 2021, the Board had accepted all the recommendations of the Committees, which are mandatorily required.

(j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to S R B C & CO LLP, the Statutory Auditor of the Company and other firms in the network entity of which the Statutory Auditor is a part as included in the consolidated financial statements of the Company for the year ended 31st March, 2021, is as follows:

(₹ in lakhs)

Fees for audit and related services paid to S R B C & CO LLP and affiliates firms and to entities of the network of which the statutory auditor is a part	67.65 (excluding GST)
Other fees paid to S R B C & CO LLP and affiliates firms and to the entities of the network of which the statutory auditor is a part	4.02 (excluding GST)

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the financial year 2020-21 is as under:

i number of complaints filed during the financial year: Nil

ii. number of complaints disposed of during the financial year: Nil

iii. number of complaints pending as on end of the financial year: Nil

(l) In preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the applicable Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No. 2.2 of Notes to financial statements in the Annual Report.

(m) In accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director and Chief Executive Officer and Chief Financial Officer have furnished a duly signed Compliance Certificate to the Board of Directors for the year ended 31st March, 2021.

(n) Under the Company's Code of Conduct for regulating, monitoring and reporting of trading in securities of the Company as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 2015, Mr. Om Prakash Pandey, Company Secretary and Compliance Officer has been designated as the Compliance Officer of the Company.

Disclosure of the compliance with Corporate Governance requirements

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

Regulation	Particulars of Regulation	Compliance status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

Declaration by the Chief Executive Officer

The Managing Director and Chief Executive Officer of the Company has given a declaration that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2021.

Compliance Certificate from Statutory Auditor

The Statutory Auditor have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Compliance with Secretarial Standards

The notified and applicable Secretarial Standards as issued by the Institute of Company Secretaries of India have been duly complied with and adhered to by the Company.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under Regulation 34(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Amit Kumat, Managing Director and Chief Executive Officer of the Company hereby declare that all members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2021.

For **Prataap Snacks Limited**

Amit Kumat
Managing Director and Chief Executive Officer

Place: Indore
Date: 28th May, 2021

CEO and CFO Certificate

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

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

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

A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

  (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (2) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021, which are fraudulent, illegal or violative of the Company's Code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

  (1) there have been no significant changes in internal control over financial reporting during the year;

  (2) the significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

  (3) there have been no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Amit Kumat
Managing Director and Chief Executive Officer

Sumit Sharma
Chief Financial Officer

Place: Indore
Date: 28th May, 2021

Certificate of Non-Disqualification of Directors

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

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

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

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN)) status at the MCA portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Arvind Mehta	00215183	12/05/2011
2.	Mr. Amit Kumat	02663687	12/05/2011
3.	Mr. Apoorva Kumat	02630764	02/11/2018
4.	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	02604007	12/05/2011
5.	Mrs. Anisha Motwani	06943493	05/07/2016
6.	Mr. Haresh Ram Chawla	00029828	13/09/2016
7.	Mr. Vineet Kumar Kapila	00056582	22/07/2016
8.	Mr. Bharadwaj Thiruvenkata Venkatavaraghavan	02918495	02/11/2018
9.	Mr. Chetan Kumar Mathur	00437558	07/08/2018

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

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

Ritesh Gupta
CP: 3764 | FCS: 5200
UDIN: F005200C000384634

Place: Indore
Date: 28th May, 2021

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Prataap Snacks Limited

1. The Corporate Governance Report prepared by Prataap Snacks Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the Applicable criteria. Summary of procedures performed include:

    i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

    ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

    iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

    iv. Obtained and read the minutes of the following committee meetings/other meetings held from April 01, 2020 to March 31, 2021:

        (a) Board of Directors;

        (b) Audit Committee;

        (c) Annual General Meeting (AGM);

        (d) Nomination and Remuneration Committee;

        (e) Stakeholders Relationship Committee;

        (f) Risk Management Committee

    v. Obtained necessary declarations from the directors of the Company.

    vi. Obtained and read the policy adopted by the Company for related party transactions.

    vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

    viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

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

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 21112773AAAADY6152

Mumbai
May 28, 2021

Independent Auditor's Report

To the Members of Prataap Snacks Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Prataap Snacks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Determination of transaction price (as described in Note 2.2 (C) and 27 of the Standalone Ind AS financial statements)	

Revenue is recognized on satisfaction of performance obligation i.e. when goods are delivered to customers. The Company considers the terms of the contract and its customary business practices to determine the transaction price which includes variable consideration (discounts, rebates, incentives and other similar items).
In certain cases, such variable consideration is not ascertained until claims with appropriate evidence is presented by the customer to the Company, Estimation of variable consideration is done based on terms of contract, incentive schemes and historical experience adjusted with the forward looking estimates.
Revenue recognition is considered as key audit matter due to the magnitude of amount involved and significant judgement required in estimation of variable consideration.
	Our procedures included, amongst others, the following:
	• Considered the Company's revenue recognition accounting policy with respect to Ind AS 115 "Revenue from Contract with Customers"
	• Obtained an understanding, evaluated the design and tested the internal controls over the process for determination of transaction price including estimation of variable consideration through inspection of evidence of performance of controls.
	• Performed the test of details including the following key procedures:
	  • For selected samples, read the terms of contract and incentive schemes as approved by authorized personnel
	  • Evaluated the assumptions used in estimation of variable consideration by comparing with the budgets, past trends.
	  • Performed retrospective review of the estimates to identify significant variances and assessed whether those variances have been considered in estimation of variable consideration
	• Assessed the disclosures in accordance with the requirements of Ind AS 115 "Revenue from Contract with Customers"

Measurement of deferred tax (as described in Note 21 of the Standalone Ind AS financial statements)	

The Company has recognized Minimum Alternate Tax (MAT) credit receivable of ₹ 1,603.47 lakhs as at March 31, 2021. The Company also has recognized deferred tax liability of ₹ 396.84 lakhs majorly on account of accelerated depreciation for tax purposes.
Pursuant to the Taxation Laws (Amendment) Act, 2019 (new tax regime), the Company has measured its deferred tax balances basis the likely transition to the new tax regime, at the rates specified in the new tax regime.
The measurement of MAT credit receivable and deferred tax balances is a key audit matter as the estimation of the year of transition to the new tax regime involves significant estimate of the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.
	Our procedures included, amongst others, the following:
	• Considered Company's accounting policies with respect to recognition and measurement of tax balances in accordance with Ind AS 12 "Income Taxes"
	• Obtained an understanding, evaluated the design and tested the internal controls over the process for measurement of tax balances through inspection of evidence of performance of these controls.
	• Performed the test of details including the following key procedures:
	  • Involved tax specialists who evaluated the Company's tax positions basis the tax law and also by comparing it with prior years and past precedents
	  • Discussed the future business plans and financial projections with the management
	  • Assessed the management's long-term financial projections and the key assumptions used in the projections by comparing it with the past trends, external data, where available and projections used for impairment assessment.
	  • Assessed the deferred tax on temporary differences which are expected to reverse after the date of transition to new tax regime and considered the impact thereof.
	• Assessed the disclosures in accordance with the requirements of Ind AS 12 "Income Taxes".

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;

    (c) The Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 21112773AAAADV5702

Mumbai
May 28, 2021

Annexure 1

to the Independent Auditor's Report referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone Ind AS financial statements of Prataap Snacks Limited.

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipments are held in the name of the Company.

ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.

iii. (a) According to the information and explanations given to us, the Company has not granted any loans during the year, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(b) The Company has granted loans that are repayable on demand to a party covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

v. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products of the Company.

vii. According to the information and explanations given to us in respect of statutory dues:

(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) There are no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statue	Nature of dues	Amount* (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	220.99	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	55.06	2016-17	Commissioner of Income Tax (Appeals)

** Net of amount paid*

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks. As informed, the Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.

ix. In our opinion and according to information and explanations given by the management, monies raised by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was ₹ 1,649.02 lakhs, of which Nil was outstanding at the end of the year. According to the information and explanations given by the management, the Company has not raised any money by way of further public offer, debt instruments in the nature of debentures and term loans.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 21112773AAAADV5702

Mumbai
May 28, 2021

Annexure 2

to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Prataap Snacks Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, as amended ("the Act").

We have audited the internal financial controls over financial reporting of Prataap Snacks Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls 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 (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 21112773AAAADV5702

Mumbai
May 28, 2021

Standalone Balance Sheet

		Notes	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, plant and equipments	3	30,548.53	33,942.88
	(b) Capital work-in-progress	3	2,077.04	714.51
	(c) Intangible assets	4	144.59	172.36
	(d) Financial assets			
	(i) Investments	5	20,658.00	20,658.00
	(ii) Loans	6	1,814.80	1,728.38
	(iii) Other non-current financial assets	7	4,540.20	4,745.17
	(e) Deferred tax assets (net)	21	1,206.63	718.16
	(f) Other non-current assets	8	339.67	620.61
	TOTAL NON-CURRENT ASSETS		**61,329.46**	**63,300.07**
	CURRENT ASSETS			
	(a) Inventories	9	12,056.92	12,543.63
	(b) Financial assets			
	(i) Trade receivables	10	2,556.46	3,183.22
	(ii) Cash and cash equivalents	11	951.73	2,271.75
	(iii) Bank balance (other than (ii) above)	12	1,555.48	2,264.54
	(iv) Loans	13	112.40	123.33
	(v) Other current financial assets	14	3,422.36	491.98
	(c) Other current assets	15	1,533.98	1,641.96
	TOTAL CURRENT ASSETS		**22,189.33**	**22,520.41**
	TOTAL ASSETS		**83,518.79**	**85,820.48**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	16	1,172.65	1,172.65
	(b) Other equity	17	60,177.85	58,010.90
	TOTAL EQUITY		**61,350.50**	**59,183.55**
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Lease liabilities	37	3,407.53	5,812.94
	(ii) Other non-current financial liabilities	19	3,557.99	6,858.00
	(b) Provisions	20	415.87	355.91
	(c) Other non-current liabilities	22	2,027.88	2,302.97
	TOTAL NON-CURRENT LIABILITIES		**9,409.27**	**15,329.82**
	CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	18	1,014.18	300.00
	(ii) Lease liabilities	37	1,302.88	1,220.07
	(iii) Trade payables			
	Total outstanding dues of micro and small enterprises	23	376.88	-
	Total outstanding dues of trade payables other than micro and small enterprises	23	8,295.50	8,346.14
	(iv) Other current financial liabilities	24	214.97	518.78
	(b) Provisions	20	70.16	63.42
	(c) Tax liabilities (net)	26	186.57	81.34
	(d) Other current liabilities	25	1,297.88	777.36
	TOTAL CURRENT LIABILITIES		**12,759.02**	**11,307.11**
	TOTAL LIABILITIES		**22,168.29**	**26,636.93**
	TOTAL EQUITY AND LIABILITIES		**83,518.79**	**85,820.48**

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

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Standalone Statement of Profit and Loss

			Notes	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
I	Revenue from operations		27	1,01,037.57	1,22,599.80
II	Other income		28	861.60	887.86
III	**TOTAL INCOME (I + II)**			**1,01,899.17**	**1,23,487.66**
IV	**EXPENSES**				
	(a)	Cost of materials consumed	29	70,537.96	84,071.04
	(b)	Purchases of stock-in-trade		161.11	834.55
	(c)	Changes in inventories of finished goods and stock-in-trade	30	(214.57)	359.14
	(d)	Employee benefits expense	31	4,702.30	5,134.81
	(e)	Finance costs	32	627.04	742.73
	(f)	Depreciation and amortisation expenses	33	4,199.32	4,940.78
	(g)	Other expenses	34	19,896.12	23,583.70
	TOTAL EXPENSES			**99,909.28**	**1,19,666.75**
V	**Profit before tax for the year (III - IV)**			**1,989.89**	**3,820.91**
VI	**Tax expenses**				
	(a)	Current tax	21	393.37	737.39
	(b)	Deferred tax (including Minimum Alternate Tax)	21	(489.56)	32.45
	(c)	Re-measurement of deferred tax on account of New Tax Regime	21	-	(35.84)
	Total tax expenses			**(96.19)**	**734.00**
VII	**Profit after tax for the year (V - VI)**			**2,086.08**	**3,086.91**
VIII	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss				
	(a)	Re-measurement gain / (loss) on defined benefit plan	36	3.13	(22.94)
	(b)	Income tax related to above	21	(1.09)	8.02
	Total other comprehensive income / (loss) for the year (net of tax)			**2.04**	**(14.92)**
IX	**Total comprehensive income for the year (VII + VIII)**			**2,088.12**	**3,071.99**
X	**Earnings per equity share:**				
	[Equity shares of face value of ₹ 5 (31 March 2020: ₹ 5) each]				
	(a)	Basic - ₹	35	8.89	13.16
	(b)	Diluted - ₹	35	8.89	13.16

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

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL:

	No. in lakhs	₹ lakhs
Issued, subscribed and fully paid up capital		
As at 1 April 2019	**234.53**	**1,172.65**
Change in the equity share capital during the year	-	-
As at 31 March 2020	**234.53**	**1,172.65**
Change in the equity share capital during the year	-	-
As at 31 March 2021	**234.53**	**1,172.65**

B. OTHER EQUITY:

	Securities premium ₹ lakhs	Retained earnings ₹ lakhs	Employee stock appreciation rights reserve (Refer Note 43) ₹ lakhs	Total other equity ₹ lakhs
As at 1 April 2019	38,282.76	16,667.30	-	54,950.06
Profit for the year	-	3,086.91	-	3,086.91
Other comprehensive income	-	(14.92)	-	(14.92)
Total comprehensive income	**-**	**3,071.99**	**-**	**3,071.99**
Employee stock appreciation rights	-	-	271.59	271.59
Dividend paid on equity shares (including dividend distribution tax of ₹ 48.21 lakhs)	-	(282.74)	-	(282.74)
As at 31 March 2020	**38,282.76**	**19,456.55**	**271.59**	**58,010.90**

	Securities premium ₹ lakhs	Retained earnings ₹ lakhs	Employee stock appreciation rights reserve (Refer Note 43) ₹ lakhs	Total other equity ₹ lakhs
As at 1 April 2020	38,282.76	19,456.55	271.59	58,010.90
Profit for the year	-	2,086.08	-	2,086.08
Other comprehensive income	-	2.04	-	2.04
Total comprehensive income	**-**	**2,088.12**	**-**	**2,088.12**
Employee stock appreciation rights	-	-	313.37	313.37
Dividend paid on equity shares	-	(234.53)	-	(234.53)
As at 31 March 2021	**38,282.76**	**21,310.13**	**584.96**	**60,177.85**

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Standalone Cash Flows Statement

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**1,989.89**	**3,820.91**
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expense	4,199.32	4,940.78
Loss on sale of property, plant and equipments	12.32	3.56
Provision for slow moving inventory	26.92	136.02
Bad debts / Sundry debit balances written off	118.88	-
Provision for doubtful receivables and advances	199.23	226.60
Balances written back	-	(4.68)
Amortisation of deferred Government grant	(276.17)	(277.25)
Provision for expenses on employee stock appreciation rights	313.37	271.59
Finance cost	627.04	738.76
Interest income	(861.59)	(887.46)
Operating profit before working capital changes	**6,349.21**	**8,968.83**
Working capital adjustments:		
Decrease / (increase) in inventories	459.79	(1,558.98)
Decrease / (increase) in trade receivables	566.13	(481.96)
Decrease / (increase) in loans	10.93	(40.35)
Decrease / (increase) in other financial assets	36.39	130.00
Decrease / (increase) in other assets	(149.50)	474.51
Increase/ (decrease) in trade payables	326.24	354.05
Increase / (decrease) in other financial liabilities	(339.14)	(41.60)
Increase / (decrease) in provisions	69.83	76.86
Increase / (decrease) in other liabilities	521.60	(701.40)
	7,851.48	**7,179.96**
Income tax paid (net of refund received)	(300.47)	(488.75)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**7,551.01**	**6,691.21**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments including capital work-in-progress and capital advances	(2,753.30)	(4,943.80)
Proceeds from sale of property, plant and equipments	27.39	20.00
Purchase of intangibles including assets under development	(30.31)	(15.51)
Payment of deferred contingent consideration	(3,300.01)	-
Loan to employees welfare trust	-	(7.54)
Fixed Deposits with banks not considered as cash and cash equivalent	(1,798.82)	940.03
Interest received	408.87	358.78
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(7,446.18)**	**(3,648.04)**

Standalone Cash Flows Statement (contd.)

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,000.00	300.00
Repayment of lease liabilities	(1,396.94)	(1,115.17)
Interest paid on lease liabilities	(405.83)	(683.03)
Repayment of short-term borrowings	(285.82)	(1,758.89)
Receipt of government grant	107.15	830.00
Interest paid	(208.87)	(56.12)
Dividend (including dividend distribution tax)	(234.54)	(282.74)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(1,424.85)**	**(2,765.95)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,320.02)**	**277.22**
Cash and cash equivalents at the beginning of the year	2,271.75	1,994.53
Cash and cash equivalents at the end of the year (Refer Note 11)	**951.73**	**2,271.75**

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Notes to the Standalone Financial Statements

NOTE 1: CORPORATE INFORMATION

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

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 28 May 2021.

NOTE 2.1: BASIS OF PREPARATION

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable (as amended from time to time).

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

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

The standalone financial statements are presented in India Rupee ('₹') and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

NOTE 2.2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) CURRENT VS NON-CURRENT CLASSIFICATION

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

B) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Notes to the Standalone Financial Statements

Estimates and assumptions

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

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

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

In accordance with the requirements of Ind AS 16 "Property, Plant and Equipment", the Company has reassessed the useful life of property, plant and equipments and has revised the estimated useful life of plant and machineries to 15 years from the existing useful life of 10 to 21 years on the basis of technical evaluation carried out by the management's expert. The effect of the said change is recognised prospectively w.e.f. 1 July 2020 as per the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Consequent to this change, depreciation is lower and net profit before tax is higher by ₹ 997.68 lakhs for the year ended 31 March 2021. Further, the basic and diluted earnings per share (not annualised) is higher by ₹ 2.77 for the year ended 31 March 2021.

(ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. The measurement of MAT credit receivable and deferred tax balances requires estimation of the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Company.

(iii) Discounts and rebates on sales

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

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 44 and 45 for further disclosures.

C) REVENUE FROM OPERATIONS

(i) Revenue from contract with customer

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

Sale of goods

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

The Company considers whether there are other promises in the contract that are separate performance obligations

Notes to the Standalone Financial Statements

to which a portion of the transaction price needs to be allocated (e.g., discount and rebates on sales). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

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

The Company provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.A refund liability included in other current financial liabilities is recognised for expected discounts and rebates payable to customers in relation to sales made until the end of the reporting period. The Company does not generally accept sales return, expect in limited cases where the goods supplied are damaged in transit / production related issues occur subsequently. Historical experience is used to estimate such returns at the time of sale. No asset is recognised for products to be recoverable from these returns, as they are not anticipated to be resold.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the Effective Interest Rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

D) GOVERNMENT GRANTS

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

Notes to the Standalone Financial Statements

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

Government grants such as sales tax incentive schemes and freight subsidies are recognised in the statement of profit and loss as a part of other operating revenues.

E) PROPERTY, PLANT AND EQUIPMENT

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipments is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipments and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipments are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, plant and equipments as a replacement if the recognition criteria are satisfied.

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

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

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

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

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

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

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

F) INTANGIBLE ASSETS

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

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

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

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

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

Intangible assets	Useful lives
Computer software	5 years

Notes to the Standalone Financial Statements

G) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

H) INVENTORIES

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

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

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

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

I) LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Right-of-use assets	Useful lives
Facilities	5 to 7 years
Leasehold land	3 to 9 years
Building	2 to 9 years

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

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the Standalone Financial Statements

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

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

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

J) SEGMENT REPORTING

Based on "management approach" as defined in Ind AS 108 - Operating segments, the management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company has only one business segment 'snacks food'.

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

K) PROVISIONS

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

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

L) EMPLOYEE BENEFITS

I. Short term employee benefits

All short term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences (such as casual leave) are recognised on an undiscounted basis and charged to the statement of profit and loss.

II. Post-employment obligations

The company operates the following post-employment schemes:

a. Defined contribution plan

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

b. Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and

- The date that the Company recognises related restructuring costs

Notes to the Standalone Financial Statements

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

III. Other long term employee benefit

The Company has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method.

The Company presents the leave as the current liability in the standalone balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in standalone balance sheet.

IV. Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Appreciation Rights Plan whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee stock appreciation rights ('ESAR') reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Notes to the Standalone Financial Statements

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

M) TAXATION

Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

For operations carried out under tax holiday period (Section 80IB and 80IE benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against

Notes to the Standalone Financial Statements

current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT')

MAT expense in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

N) FOREIGN CURRENCIES

The Company's standalone financial statements are presented in Indian rupees (₹), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognised as income or expense in the year in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

O) FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Other fair value related disclosures are given in the relevant notes.

P) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the Standalone Financial Statements

I) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. Fair value through statement of profit and loss ('FVTPL')), or recognised in OCI (i.e. Fair value through OCI ('FVTOCI')).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through the statement of profit and loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when the right to receive cash flows from the asset is transferred or expired.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are equity instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 116

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

Notes to the Standalone Financial Statements

then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head ‘other expenses’ in the P&L. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

II) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit and Loss ('FVTPL'). A financial liability is measured at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using EIR method.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Notes to the Standalone Financial Statements

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Q) INVESTMENT IN SUBSIDIARY

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

Impairment of investments:

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

R) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

S) BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they incurred. Borrowing cost includes interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

T) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

U) CONTINGENT LIABILITY AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

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

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Notes to the Standalone Financial Statements

NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Note A: Owned Assets

	Leasehold improvements ₹ lakhs	Freehold lands ₹ lakhs	Factory buildings ₹ lakhs	Plant and equipments ₹ lakhs	Furniture and fixtures ₹ lakhs	Office equipments ₹ lakhs	Computers ₹ lakhs	Vehicles ₹ lakhs	Capital work-in-progress ₹ lakhs	Total ₹ lakhs
I Gross carrying amount										
As at 1 April 2019	**1,630.63**	**3,168.04**	**4,813.45**	**23,134.13**	**246.45**	**161.06**	**135.20**	**994.79**	**410.26**	**34,694.01**
Additions	148.59	-	533.87	3,074.48	13.99	94.85	19.80	291.21	4,481.04	8,657.83
Disposals	-	-	-	37.35	-	-	-	-	-	37.35
Transfer/capitalised	-	-	-	-	-	-	-	-	4,176.79	4,176.79
As at 31 March 2020	**1,779.22**	**3,168.04**	**5,347.32**	**26,171.26**	**260.44**	**255.91**	**155.00**	**1,286.00**	**714.51**	**39,137.70**
Additions	162.25	-	239.23	795.32	5.95	45.04	18.04	421.17	3,049.53	4,736.53
Disposals	-	-	-	-	-	-	-	82.94	-	82.94
Transfer/capitalised	-	-	-	-	-	-	-	-	1,687.00	1,687.00
As at 31 March 2021	**1,941.47**	**3,168.04**	**5,586.55**	**26,966.58**	**266.39**	**300.95**	**173.04**	**1,624.23**	**2,077.04**	**42,104.29**
II Accumulated depreciation and impairment losses										
As at 1 April 2019	**543.14**	**-**	**399.06**	**6,481.95**	**62.50**	**78.69**	**69.79**	**236.30**	**-**	**7,871.43**
Depreciation charge for the year	258.88	-	173.10	2,676.46	24.93	43.84	31.87	149.10	-	3,358.18
Disposals	-	-	-	27.18	-	-	-	-	-	27.18
As at 31 March 2020	**802.02**	**-**	**572.16**	**9,131.23**	**87.43**	**122.53**	**101.66**	**385.40**	**-**	**11,202.43**
Depreciation charge for the year	284.18	-	189.19	1,891.79	25.15	46.66	30.78	192.52	-	2,660.26
Disposals	-	-	-	-	-	-	-	63.28	-	63.28
As at 31 March 2021	**1,086.20**	**-**	**761.35**	**11,023.02**	**112.58**	**169.19**	**132.44**	**514.64**	**-**	**13,799.41**
III Net carrying amount										
As at 31 March 2021	**855.27**	**3,168.04**	**4,825.20**	**15,943.56**	**153.81**	**131.76**	**40.60**	**1,109.59**	**2,077.04**	**28,304.88**
As at 31 March 2020	977.20	3,168.04	4,775.16	17,040.03	173.01	133.38	53.34	900.60	714.51	27,935.27

Notes to the Standalone Financial Statements

Note B: Right-of-use Assets

		Leasehold lands ₹ lakhs	Buildings ₹ lakhs	Facilities ₹ lakhs	Total ₹ lakhs
I	**Gross carrying amount**				
	As at 1 April 2019 (Amount recognised on transition to Ind AS 116)	**355.50**	**3,003.30**	**3,268.66**	**6,627.46**
	Additions	-	141.41	2,219.23	2,360.64
	Disposals	-	-	821.49	821.49
	As at 31 March 2020	**355.50**	**3,144.71**	**4,666.40**	**8,166.61**
	Additions	-	102.87	1,344.29	1,447.16
	Disposals	-	-	3,271.62	3,271.62
	As at 31 March 2021	**355.50**	**3,247.58**	**2,739.07**	**6,342.15**
II	**Accumulated depreciation and impairment losses**				
	As at 1 April 2019	**-**	**-**	**-**	**-**
	Depreciation charge for the year	58.49	631.75	836.97	1,527.21
	Disposals	-	-	82.72	82.72
	As at 31 March 2020	**58.49**	**631.75**	**754.25**	**1,444.49**
	Depreciation charge for the year	58.49	642.48	780.01	1,480.98
	Disposals	-	-	904.02	904.02
	As at 31 March 2021	**116.98**	**1,274.23**	**630.24**	**2,021.45**
III	**Net carrying amount**				
	As at 31 March 2021	**238.52**	**1,973.35**	**2,108.83**	**4,320.70**
	As at 31 March 2020	297.01	2,512.96	3,912.15	6,722.12

Note C: Net Carrying Amount

			As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(i)	Property, plant and equipments			
	a.	Owned assets	26,227.83	27,220.76
	b.	Right-of-use assets	4,320.70	6,722.12
			30,548.53	**33,942.88**
(ii)	Capital work-in-progress		2,077.04	714.51

Notes to the Standalone Financial Statements

NOTE 4: INTANGIBLE ASSETS

		Computer softwares ₹ lakhs	Brand ambassador rights ₹ lakhs	Intangible assets under development ₹ lakhs	Total ₹ lakhs
I	**Gross carrying amount**				
	As at 1 April 2019	**283.21**	**728.72**	**1.15**	**1,013.08**
	Additions	16.66	-	-	16.66
	Disposals	-	728.72	1.15	729.87
	As at 31 March 2020	**299.87**	**-**	**-**	**299.87**
	Additions	30.31	-	-	30.31
	Disposals	-	-	-	-
	As at 31 March 2021	**330.18**	**-**	**-**	**330.18**
II	**Accumulated amortisation and impairment losses**				
	As at 1 April 2019	**72.12**	**728.72**	**-**	**800.84**
	Amortisation charge for the year	55.39	-	-	55.39
	Disposals		728.72		728.72
	As at 31 March 2020	**127.51**	**-**	**-**	**127.51**
	Amortisation charge for the year	58.08	-	-	58.08
	Disposals	-	-	-	-
	As at 31 March 2021	**185.59**	**-**	**-**	**185.59**
III	**Net carrying amount**				
	As at 31 March 2021	**144.59**	**-**	**-**	**144.59**
	As at 31 March 2020	**172.36**	**-**	**-**	**172.36**

IV Net carrying amount

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Intangible assets	144.59	172.36

NOTE 5: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Measured at cost		
Investment in subsidiary (Unquoted)		
5 lakhs (31 March 2020: 5 lakhs) Equity shares of ₹ 10 each fully paid-up in Avadh Snacks Private Limited (Refer Note below)	19,158.00	19,158.00
1.02 lakhs (31 March 2020: 1.02 lakhs) Equity shares of ₹ 10 each, ₹ 6 each partly paid-up in Avadh Snacks Private Limited (Refer Note below and Note 38)	1,500.00	1,500.00
	20,658.00	**20,658.00**

Note

In an earlier year, the Company had acquired 80% of the equity share capital of Avadh Snacks Private Limited for a cash consideration of ₹ 13,800 lakhs along with a written put option on the balance 20% of the equity share capital (contingent consideration). The fair value of the contingent consideration on the date of acquisition of ₹ 6,858 lakhs has been included in the cost of investments. Refer Note 2.2(p) and Note 45 for the accounting policy and movement in the contingent consideration respectively.

Notes to the Standalone Financial Statements

NOTE 6: FINANCIAL ASSETS - NON-CURRENT LOANS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Loans to related parties (Refer Note 39)	1,814.80	1,728.38
	1,814.80	**1,728.38**

NOTE 7: OTHER NON-CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Margin money deposit	0.16	0.50
Non-current bank balances being deposits with remaining maturity of more than twelve months	2,406.68	2,245.01
Subsidy receivable	1,533.33	1,937.54
Security deposits	600.03	562.12
	4,540.20	**4,745.17**

Note:

Margin money deposits pertains to deposits given to various Government / statutory authorities as security.

NOTE 8: OTHER NON-CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Capital advances:		
Considered good	339.67	620.61
Considered doubtful	379.84	368.86
Less: Provision for doubtful advances	(379.84)	(368.86)
	339.67	**620.61**

NOTE 9: INVENTORIES

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

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Raw materials	6,639.76	6,966.65
Packing materials [including stock-in-transit: Nil (As at 31 March 2020: ₹ 0.89 lakhs)]	3,271.16	3,505.70
Finished goods [including stock-in-transit: ₹ 392.17 lakhs (As at 31 March 2020: ₹ 246.82 lakhs)]	1,547.75	1,339.77
Traded goods [including stock-in-transit: ₹ 3.34 lakhs (As at 31 March 2020: ₹ 0.88 lakhs)]	11.54	4.95
Stores, spares and other consumables	586.71	726.56
	12,056.92	**12,543.63**

Note:

The Company has created provision of ₹ 26.92 lakhs (As at 31 March 2020: ₹ 142.97 lakhs) for slow moving and non moving inventories.

Notes to the Standalone Financial Statements

NOTE 10: TRADE RECEIVABLES

(Unsecured unless otherwise stated)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
At amortised cost		
Considered good - Secured	-	290.53
Considered good - Unsecured	2,556.46	2,892.69
Credit impaired	468.66	526.91
Less: Allowance for credit losses (Refer Note 46)	(468.66)	(526.91)
	2,556.46	**3,183.22**

Notes:

1. For terms and conditions relating to related party receivables, Refer Note 39.
2. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

NOTE 11: CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Balances with banks:		
In current accounts	947.73	1,488.13
Deposits with original maturity of less than three months	1.53	778.84
Cash on hand	2.47	4.78
	951.73	**2,271.75**

NOTE 12: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deposits with maturity less than twelve months	759.87	1,882.15
Margin money deposit	795.32	382.21
Earmarked balances with bank - unpaid dividend	0.29	0.18
	1,555.48	**2,264.54**

Margin money deposits pertains to deposits given to various Government / statutory authorities as security.

NOTE 13: FINANCIAL ASSETS - CURRENT LOANS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Loan to transporters:		
Unsecured considered good	-	-
Unsecured considered doubtful	4.79	4.79
Less: Allowances for credit losses	(4.79)	(4.79)
Loan to employees	112.40	123.33
	112.40	**123.33**

Notes to the Standalone Financial Statements

NOTE 14: OTHER CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Subsidy receivable	1,064.73	483.56
Security deposits	8.95	8.42
Fixed Deposit with banks	2,348.68	-
	3,422.36	**491.98**

NOTE 15: OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Advances to vendors:		
Considered good	1,138.15	1,397.15
Considered doubtful	467.20	221.38
Less: Provision for doubtful advances	(467.20)	(221.38)
Prepaid expenses	84.05	38.82
Balances with government authorities	311.78	205.99
	1,533.98	**1,641.96**

NOTE 16: SHARE CAPITAL

(a) Authorised Share Capital

	Equity shares	
	No. in lakhs	No. in lakhs
Equity shares of ₹ 5 each		
As at 1 April 2019	**320.00**	**1,600.00**
Change in authorised share capital during the year	-	-
As at 31 March 2020	**320.00**	**1,600.00**
Change in authorised share capital during the year	-	-
As at 31 March 2021	**320.00**	**1,600.00**

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

	No. in lakhs	No. in lakhs
As at 1 April 2019 (Equity shares of ₹ 5 each)	234.53	1,172.65
Changes in equity share capital during the year	-	-
As at 31 March 2020 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**
Changes in equity share capital during the year	-	-
As at 31 March 2021 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**

Details related to the Initial Public Offer (IPO)

The Company had completed IPO in the year ended 31 March 2018 of fresh issue of 26.65 lakhs equity shares (including pre IPO of 5.33 lakhs equity shares) of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. 5 October 2017. The details of the utilisation of IPO proceeds (including pre IPO) are as follows:

Notes to the Standalone Financial Statements

	Planned utilisation ₹ lakhs	Utilised upto 31 March 2021 ₹ lakhs	Unutilised 31 March 2021 ₹ lakhs
Repayment/pre-payment of borrowings	5,098.20	5,098.20	-
Funding capital expenditure requirements	2,747.80	2,747.80	-
Investment in subsidiary for repayment/pre-payment of borrowings	2,937.00	2,937.00	-
Marketing and brand building activities	4,000.00	4,000.00	-
General corporate purposes	5,012.90	5,012.90	-
Acquisition	3,952.00	3,952.00	-
	23,747.90	**23,747.90**	**-**

(c) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 (31 March 2020: ₹ 5) per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which may be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2021		As at 31 March 2020	
	No. in lakhs	% holding	No. in lakhs	% holding
Equity shares				
SCI Growth Investment II	83.93	35.79%	83.93	35.79%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	23.54	10.04%
Malabar India Fund Limited	15.04	6.41%	14.91	6.36%
SBI Mutual Fund	12.73	5.43%	11.10	4.73%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 March 2021 No. in lakhs	31 March 2020 No. in lakhs	31 March 2019 No. in lakhs	31 March 2018 No. in lakhs	31 March 2017 No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	-	-	-	155.91	158.79

31 March 2018 - Allotment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 3 June 2017.

31 March 2017 - Allotment of bonus shares in the ratio of 5 equity shares for every equity share of ₹ 1 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 24 September 2016.

(f) Shares issued under Prataap Employees Stock Appreciation Rights ('ESAR') Plan 2018

Refer Note 43 for details of shares issued under the ESAR Plan 2018.

Notes to the Standalone Financial Statements

(g) Dividend paid and proposed

	31 March 2021 ₹ lakhs	31 March 2020 ₹ lakhs
Dividend on equity shares paid during the year		
Dividend for the year ended 31 March 2020: ₹ 1 per share (31 March 2019: ₹ 1 per share)	234.53	234.53
Dividend distribution tax on above	-	48.21

	31 March 2021 ₹ lakhs	31 March 2020 ₹ lakhs
Proposed dividend on equity shares*		
Dividend for the year ended 31 March 2021: ₹ 0.50 per share (31 March 2020: ₹ 1 per share)	117.27	234.53

*Proposed dividend on equity shares is subject to approval of the shareholders at the ensuing Annual General Meeting and are not recognised as liability as at 31 March 2021.

NOTE 17: OTHER EQUITY

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Securities premium	38,282.76	38,282.76
Retained earnings	21,310.13	19,456.55
Employee stock appreciation rights reserve	584.96	271.59
	60,177.85	**58,010.90**

Securities premium

	₹ lakhs
As at 1 April 2019	**38,282.76**
As at 31 March 2020	**38,282.76**
As at 31 March 2021	**38,282.76**

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Act.

Retained earnings

	₹ lakhs
As at 1 April 2019	**16,667.30**
Add: Profit for the year	3,086.91
Add: Other comprehensive income	(14.92)
Less: Amount utilised towards payment of dividend	(234.53)
Less: Dividend distribution tax	(48.21)
As at 31 March 2020	**19,456.55**
Add: Profit for the year	2,086.08
Add: Other comprehensive income	2.04
Less: Amount utilised towards payment of dividend	(234.53)
As at 31 March 2021	**21,310.13**

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

Notes to the Standalone Financial Statements

Employee stock appreciation rights reserve

	₹ lakhs
As at 1 April 2019	**-**
Add: Expense recognised during the year (Refer Note 43)	271.59
As at 31 March 2020	**271.59**
Add: Expense recognised during the year (Refer Note 43)	313.37
As at 31 March 2021	**584.96**

The Company has Prataap Employee Stock Appreciation Rights ('ESAR') Plan 2018 under which options to subscribe for the Company's shares have been granted to certain employees. The Employee stock appreciation rights reserve is used to recognise the value of equity-settled share-based payments provided to employees. The said reserve shall be utilised for issue of equity shares of the Company against the rights exercisable by the employees under the ESAR Plan 2018.

NOTE 18: BORROWINGS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Short term borrowings		
Unsecured		
Short term loan from bank	-	300.00
Secured		
Short term loan from bank (Refer Note below)	1,014.18	-
	1,014.18	**300.00**

Note:
The Secured short term loan from a bank carries a rate of interest of 6.03% and interest is to be serviced as and when charged. The loan is secured by lien on fixed deposit.

NOTE 19: OTHER NON-CURRENT FINANCIAL LIABILITIES

(At fair value through profit and loss)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred contingent consideration (Refer Note 45)	3,557.99	6,858.00
	3,557.99	**6,858.00**

NOTE 20: PROVISIONS

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Non-current provisions		
Provision for employee benefits:		
Gratuity (Refer Note 36)	415.87	355.91
	415.87	**355.91**
Current provisions		
Provision for employee benefits:		
Gratuity (Refer Note 36)	40.75	34.45
Compensated absences	29.41	28.97
	70.16	**63.42**

Notes to the Standalone Financial Statements

NOTE 21: DEFERRED TAX ASSETS / LIABILITIES

(a) Tax expense recognised in the statement of profit and loss

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Current tax	393.37	737.39
Deferred tax (Refer Note below)	(489.56)	32.45
Remeasurement of Deferred Tax on account of New Tax Regime (Net) (Refer Note below)	-	(35.84)
Income tax expense reported in the statement of profit and loss	**(96.19)**	**734.00**

Note:
In the previous year, pursuant to the Taxation Laws (Amendment) Act, 2019, the Company has remeasured the deferred tax liabilities and has recognised deferred tax income of ₹ 35.84 lakhs. In the current year, the Company has reassessed its deferred tax liability on the basis of the likely year of transition to the new tax regime and the current assessment of the amount of deferred tax liability expected to reverse subsequent to the expected transition year and has recognized a gain of ₹ 451.60 lakhs.

(b) Income tax related to items recognised in OCI during the year:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Net gain/(loss) on remeasurements of defined benefit plan	1.09	(8.02)
Income tax expense recognised in OCI	**1.09**	**(8.02)**

(c) Reconciliation of income tax expense and the accounting profit:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Profit/(loss) before tax	1,989.89	3,820.91
Income tax expense calculated at 34.944% (31 March 2020: 34.944%) being the statutory enacted rate	695.35	1,335.18
Effect of:		
Income not taxable during the tax holiday period	(516.57)	(742.47)
Reversal of deferred tax during the tax holiday period	110.44	112.45
Expenses that is non-deductible in determining taxable profit	66.68	65.17
Remeasurement of deferred tax on account of New Tax Regime	-	(35.84)
Defered tax balances measured at lower rate on account of New Tax Regime (Refer Note above)	(451.60)	-
Tax on other items	(0.49)	(0.49)
Income tax expense recognised in the statement of profit and loss	**(96.19)**	**734.00**

Notes to the Standalone Financial Statements

(d) The movement in deferred tax assets and liabilities during the year ended 31 March 2021 and 31 March 2020:

	As at 1 April 2020 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deferred tax assets in relation to:				
(i) Allowances for doubtful receivables and advances	(355.16)	(69.57)	-	(424.73)
(ii) Provision for employee benefits	(188.79)	(24.33)	1.09	(212.03)
(iii) Lease liabilities	(2,457.62)	811.80	-	(1,645.82)
(iv) Other items giving rise to temporary differences	(125.05)	20.42	-	(104.63)
	(3,126.62)	**738.32**	**1.09**	**(2,387.21)**
Deferred tax liabilities in relation to:				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets	1,500.66	(220.74)	-	1,279.92
(ii) Right of use assets	2,345.29	(841.16)	-	1,504.13
	3,845.95	**(1,061.89)**	**-**	**2,784.05**
Deferred Tax liability / (asset)	**719.33**	**(323.58)**	**1.09**	**396.84**
(i) MAT Credit entitlement	(1,437.49)	(165.98)	-	(1,603.47)
Net Deferred Tax liability / (asset)	**(718.16)**	**(489.56)**	**1.09**	**(1,206.63)**

	As at 1 April 2019 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred tax assets in relation to:				
(i) Allowances for doubtful receivables and advances	(271.56)	(83.60)	-	(355.16)
(ii) Provision for employee benefits	(126.20)	(54.57)	(8.02)	(188.79)
(iii) Carry forward of unabsorbed depreciation	(604.42)	604.42	-	-
(iv) Carry forward of business loss	(102.19)	102.19	-	-
(iii) Lease liabilities	-	(2,457.62)	-	(2,457.62)
(iv) Other items giving rise to temporary differences	(128.57)	3.52	-	(125.05)
	(1,232.94)	**(1,885.67)**	**(8.02)**	**(3,126.62)**
Deferred tax liabilites in relation to:				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets	1,504.73	(4.07)	-	1,500.66
(ii) Right of use assets	-	2,345.29	-	2,345.29
	1,504.73	**2,341.21**	**-**	**3,845.95**
Deferred Tax liability / (asset)	**271.79**	**455.56**	**(8.02)**	**719.33**
(i) MAT Credit entitlement	(978.54)	(458.95)	-	(1,437.49)
Net Deferred Tax liability / (asset)	**(706.75)**	**(3.39)**	**(8.02)**	**(718.16)**

The rate used for calculation of Deferred tax is 34.944% and 25.17% for deferred tax expected to be reversed in the New Tax Regime, being statutory enacted rates at Balance Sheet date.

Notes to the Standalone Financial Statements

Disclosure in the balance sheet:

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred tax assets	(3,990.68)	(4,564.11)
Deferred tax liabilities	2,784.05	3,845.95
Deferred tax liabilities / (assets) (net)	**(1,206.63)**	**(718.16)**

NOTE 22: OTHER NON-CURRENT LIABILITIES

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred Government grant	2,027.88	2,302.97
	2,027.88	**2,302.97**
At 1 April	2,580.22	712.18
Addition during the year	-	2,145.29
Recognised in the statement of profit and loss (Refer Note 27)	(276.17)	(277.25)
At 31 March	**2,304.05**	**2,580.22**
The above amount is classified as:		
Non-current	2,027.88	2,302.97
Current	276.17	277.25
	2,304.05	**2,580.22**

NOTE 23: TRADE PAYABLES

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Total outstanding dues of micro and small enterprises	376.88	-
Total outstanding dues of trade payables other than micro and small enterprises	8,295.50	8,346.14
	8,672.38	**8,346.14**

a. Trade payables are non interest bearing and are normally settled in 0 to 45 days terms.

b. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

		As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(a)	Principal amount remaining unpaid	376.88	-
(b)	Interest due thereon	-	-
(c)	The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d)	The amount of Interest due and payable for the year	-	-
(e)	The amount of Interest accrued and remaining unpaid	-	-
(f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid, for the purpose of disallowance under section 23.	-	-

Notes to the Standalone Financial Statements

NOTE 24: OTHER CURRENT FINANCIAL LIABILITIES

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Creditors for capital goods	214.68	179.35
Security deposits	-	339.25
Dividend payable	0.29	0.18
	214.97	**518.78**

NOTE 25: OTHER CURRENT LIABILITIES

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Contract liabilities (Advance from customers)	547.33	297.94
Statutory dues	474.38	202.17
Deferred Government grant (Refer Note 22)	276.17	277.25
	1,297.88	**777.36**

NOTE 26: CURRENT TAX LIABILITIES (NET)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Income tax provision [Net of advance tax: ₹ 5,705.99 lakhs (31 March 2020: ₹ 5,405.51 lakhs)]	186.57	81.34
	186.57	**81.34**

NOTE 27: REVENUE FROM OPERATIONS

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Sale of products		
(a) Finished goods	99,893.86	1,20,825.20
(b) Traded goods	183.77	1,050.24
	1,00,077.63	**1,21,875.44**
Other operating revenues		
(c) Sale of starch	70.62	112.33
(d) Scrap sales	181.99	211.83
(e) Government grant (Refer Note 22 and Note 42)	388.51	395.52
(f) Other operating income	318.82	4.68
	959.94	**724.36**
	1,01,037.57	**1,22,599.80**
Out of above		
Revenue from contracts with customers	1,00,649.06	1,22,199.60
Other revenue	388.51	400.20
	1,01,037.57	**1,22,599.80**

Notes to the Standalone Financial Statements

Note A: Reconciliation of revenue recognised with contract price

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Contract price	1,04,320.84	1,26,539.32
Adjustments for variable consideration:		
Discount and rebates	(3,671.78)	(4,339.72)
Revenue from contract with customers	**1,00,649.06**	**1,22,199.60**

Note B: Disaggregation of revenue

The Company has a single stream of revenue i.e. sale of products. However, the Company has operations spread across geographical area, viz. in India and outside India, details of which is as under:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
India	1,00,404.54	1,21,833.22
Outside India	244.52	366.38
	1,00,649.06	**1,22,199.60**

Note C: Contract balances

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
(i)	Contract assets	-	-
(ii)	Trade receivables (pertaining to contract with customers)	2,556.46	3,183.22
(iii)	Contract liabilities		
	Advance from customers	297.94	621.40
	Refund liabilities	-	36.71
	At the beginning of the year	**297.94**	**658.11**
	Add: Received during the year	547.33	297.94
	Less: Recognised as revenue during the year	(297.94)	(658.11)
	At the end of the year	**547.33**	**297.94**
	Out of above		
	Advance from customers	547.33	297.94
		547.33	**297.94**

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

NOTE 28: OTHER INCOME

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Interest income on:		
Bank deposits	403.00	484.74
Unwinding of financial assets	195.58	245.83
Others	99.61	156.89
Miscellaneous income (Refer Note below)	163.41	0.40
	861.60	**887.86**

Note:

Miscellaneous income includes an amount of ₹ 163.40 lakhs on extinguishment of lease liability (net of the right of use assets) on termination of lease agreement and purchase of assets by the Company.

Notes to the Standalone Financial Statements

NOTE 29: COST OF MATERIALS CONSUMED

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Inventory at the beginning of the year	10,472.35	8,720.35
Add: Purchases	70,284.44	85,991.83
	80,756.79	**94,712.18**
Less : Sale of inventory	(307.91)	(168.79)
Less: Inventory at the end of the year	(9,910.92)	(10,472.35)
Cost of materials consumed	**70,537.96**	**84,071.04**

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Opening stock		
Finished goods	1,339.77	1,678.10
Traded goods	4.95	25.76
	1,344.72	**1,703.86**
Less: Closing stock		
Finished goods	1,547.75	1,339.77
Traded goods	11.54	4.95
	1,559.29	**1,344.72**
(Increase) / Decrease in inventories	**(214.57)**	**359.14**

NOTE 31: EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Salaries, wages and bonus	3,805.28	4,264.86
Employee stock appreciation rights expense (Refer Note 43)	313.37	271.59
Contribution to provident and other funds (Refer Note 36 and Note 42)	253.75	270.28
Gratuity expense (Refer Note 36)	76.85	75.41
Staff welfare expenses	253.05	252.67
	4,702.30	**5,134.81**

NOTE 32: FINANCE COSTS

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Interest expense on:		
Borrowings	18.60	45.08
Lease liabilities (Refer Note 37)	569.23	692.46
Others	12.34	1.22
Other finance costs	26.87	3.97
	627.04	**742.73**

Notes to the Standalone Financial Statements

NOTE 33: DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Depreciation on property, plant and equipments (Refer Note 3)	4,141.24	4,885.39
Amortisation of intangible assets (Refer Note 4)	58.08	55.39
	4,199.32	**4,940.78**

NOTE 34: OTHER EXPENSE

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Consumption of stores, spares and other consumables	1,406.84	1,687.44
Security charges	247.65	283.80
Housekeeping charges	176.22	142.84
Power and fuel	2,228.38	2,652.64
Contract labour charges (Refer Note 42)	3,110.24	3,695.43
Freight and forwarding charges	7,121.37	8,968.00
Rent / lease rent (Refer Note 37)	115.45	116.13
Rates and taxes	28.01	47.05
Insurance charges	103.08	57.59
Job work charges	2,305.05	2,072.27
Repairs and maintenance:		
- Plant and machinery	526.35	400.39
- Buildings	105.90	135.47
- Others	176.84	197.52
Advertisement and sales promotion	746.33	1,499.01
Bad debts / sundry debit balances written off	118.88	-
Allowance for doubtful receivables and advances	199.23	226.60
Travelling and conveyance	220.31	428.18
Printing and stationery	30.43	36.85
Legal and professional fees	299.88	460.99
Payment to auditor (Refer Note A below)	57.15	56.50
Loss on sale / discard of property, plant and equipments	12.32	3.56
Corporate social responsibility expenditure (Refer Note B below)	123.18	123.03
Independent directors sitting fees and commission	63.28	55.30
Miscellaneous expenses	373.75	237.11
	19,896.12	**23,583.70**

A. Payment to auditor (excluding Goods and Service Tax):

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
As auditor:		
Audit fee	49.60	49.60
Tax audit fee	4.00	4.00
In other capacity:		
Certification fees	3.55	2.20
Reimbursement of expenses	-	0.70
	57.15	**56.50**

Notes to the Standalone Financial Statements

B. Details of corporate social responsibility as per Section 135 (5) of Act and Rules made thereunder:

During the year, the Company has spent ₹ 123.18 lakhs (Year ended 31 March 2021: ₹ 123.03 lakhs) towards corporate social responsibility as prescribed under Section 135 of the Act. The details are:

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
1)	Gross amount required to be spent by the Company during the year	122.52	101.19
2)	Amount spent by the Company during the year:		
	Construction/acquisition of any asset	-	-
	On purposes other than above	123.18	123.03
3)	Amount remaining to be spent by the Company during the year	-	-

NOTE 35: EARNINGS PER SHARE ('EPS')

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

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

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

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
(a)	Profit attributable to equity shareholders	2,086.08	3,086.91
(b)	Weighted average number of equity shares outstanding for computing basic EPS	234.53	234.53
(c)	Effect of potential equity shares on Employee Stock Appreciation Rights ('ESAR')*	-	-
(d)	Weighted average number of equity shares outstanding for computing diluted EPS [(b) + (c)]	**234.53**	**234.53**
EPS (in ₹)			
Basic (Face value of ₹ 5 each)		8.89	13.16
Diluted (Face value of ₹ 5 each)		8.89	13.16

* ESAR are anti-dilutive in nature and accordingly, the same has not been considered for the purpose of calculation of Diluted EPS.

NOTE 36: EMPLOYEE BENEFITS

(a) Defined contribution plans

a. Provident fund

The Company makes provident fund contributions to defined contribution plan for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs. The Company has no obligation, other than the contribution payable to the fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Notes to the Standalone Financial Statements

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

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Provident fund	203.57	214.89

(b) Defined benefit plans

Gratuity - Non-funded

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is unfunded.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Current	40.75	34.45
Non-current	415.87	355.91
	456.62	**390.36**

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for gratuity:

			Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
I	(a)	**Expense recognised in the statement of profit and loss**		
		Current service cost	51.48	53.79
		Interest cost on benefit obligation	25.37	21.62
		Components of defined benefit costs recognised in statement of profit and loss (Refer Note 31)	**76.85**	**75.41**
	(b)	**Included in other comprehensive income**		
		Actuarial gain / (loss) for the year on defined benefit obligation	3.13	(22.94)
		Actuarial (gain) / loss recognised in other comprehensive income	**3.13**	**(22.94)**
II	**Change in present value of defined benefit obligation during the year**			
	1.	Present value of defined benefit obligation at the beginning of the year	390.36	297.72
	2.	Interest cost	25.37	21.62
	3.	Current service cost	51.48	53.79
	4.	Benefits paid	(7.46)	(5.73)
	5.	Actuarial gain / (loss) on obligation	3.13	(22.94)
	6.	Present value of defined benefit obligation at the end of the year	**456.62**	**390.36**

Notes to the Standalone Financial Statements

Details of asset-liability matching strategy

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy deviced for the plan.

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

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Discount rate (%)	6.35%	6.80%
Future salary increases:	7.00%	7.00%
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

A quantitative sensitivity analysis for significant assumption is shown below:

	Discount rate	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Impact on defined benefit obligation		
Impact of 0.50% increase in rate	(18.47)	(15.64)
Impact of 0.50% decrease in rate	19.90	16.85

	Future salary increases	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Impact on defined benefit obligation		
Impact of 0.50% increase in rate	16.81	14.12
Impact of 0.50% decrease in rate	(16.24)	(13.44)

	Withdrawal rate	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Impact on defined benefit obligation		
Impact of 10% increase in rate	(1.65)	(0.75)
Impact of 10% decrease in rate	1.75	0.76

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Notes to the Standalone Financial Statements

The following payments are expected in future years:

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Within the next 12 months (next annual reporting period)	40.75	34.45
Between 2 and 5 years	153.64	138.83
Beyond 5 years	219.82	197.99

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.60 years (As at 31 March 2020: 9.71 years)

NOTE 37: LEASES

i) Company as a lessee

The Company has lease contracts for land, building and manufacturing facilities with lease term ranging between 2 to 9 years. There are certain lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Company also has certain leases of office premises and warehouses with lease term of 12 months or less and those of low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions as available in Ind AS 116 'Leases' for these leases.

a) Amounts recognised in profit and loss

The following amounts are recognised in the statement of profit or loss

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Depreciation of Right-of-use assets	1,480.98	1,527.21
Interest on lease liabilities	569.23	692.46
Expenses related to short term leases and leases of low - value assets	115.45	116.13
	2,165.66	**2,335.80**

b) The carrying amounts of lease liabilities and the movements during the year:

	31 March 2021 ₹ lakhs	31 March 2020 ₹ lakhs
As at 1 April	7,033.01	6,527.92
Addition during the year	1,447.16	2,360.64
Derecognised during the year	(2,531.00)	(738.77)
Accretion of interest	569.23	692.46
Payments	(1,807.99)	(1,809.24)
As at 31 March	**4,710.41**	**7,033.01**
The above amount is classified as:		
Non-current	3,407.53	5,812.94
Current	1,302.88	1,220.07
	4,710.41	**7,033.01**

Refer Note 3(b) for additions to Right-of-Use Assets and the carrying amount of Right-of-Use Assets as at the year end. Further, Refer Note 46 for maturity analysis of lease liabilities.

Notes to the Standalone Financial Statements

c) Amount as per the Statement of Cash Flows:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Repayment of lease liabilities	1,396.94	1,115.17
Interest paid on lease liabilities	405.83	683.03
Total Cash outflow for leases	**1,802.77**	**1,798.20**

NOTE 38: COMMITMENTS AND CONTINGENCIES

I. Capital commitments

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	513.03	852.43

II. Other commitments

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(a) Preservation charges payable to cold storage owners	302.72	281.63
(b) Uncalled liability on partly paid up shares (Refer Note 5)	1,000.00	1,000.00

III. Contingent liabilities (to the extent not provided for)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Claims against the Company not acknowledged as debts		
Disputed income tax liability (excluding interest and penalty)*	570.50	276.05
Providend fund**	Amount not determinable	Amount not determinable
	570.50	**276.05**

Notes:

* The Company has received an Income tax demand order disallowing the deduction claimed by the Company u/s 80 IB of the Income tax Act, 1961. The Company has filed an appeal against the said orders before Commissioner of Income tax Appeals (CIT (A)) which is pending for disposal as at year end.

** There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28 February 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its standalone financial statement, the company has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1 March 2019 i.e., immediate after pronouncement of the judgement. The Company will evaluate its position, in case there is any other interpretation issued in future either in form of Social Security Code 2020, or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.

The Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are notified.

The Company, in respect of the above mentioned contingent liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

Notes to the Standalone Financial Statements

NOTE 39: RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship		
(a)	**Related parties where control exists:**	
	Subsidiary	Avadh Snacks Private Limited
(b)	**Other related parties with whom transactions have taken place during the current year or previous year:**	
	Enterprise having significant influence	SCI Growth Investment II
	Key management personnel ("KMP")	Mr. Arvind Mehta, Chairman and Executive Director
		Mr. Amit Kumat, Managing Director and Chief Executive Officer
		Mr. Apoorva Kumat, Executive Director - Operations
		Mrs. Anisha Motwani, Independent Director
		Dr. Om Prakash Manchanda, Independent Director (till 4 July 2019)
		Mr. Vineet Kumar Kapila, Independent Director
		Mr. Haresh Ram Chawla, Independent Director
		Mr. Chetan Kumar Mathur, Independent Director
		Mr. Bharadwaj Thiruvenkata Venkatavaraghavan, Independent Director (w.e.f. 1 July 2019)
		Mr. Bharadwaj Thiruvenkata Venkatavaraghavan, Non Executive Director (till 30 June 2019)
	Relatives of key management personnel	Mr. Rajesh Mehta, Brother of Mr. Arvind Mehta
		Mr. Naveen Mehta, Brother of Mr. Arvind Mehta
		Mr. Arun Mehta, Brother of Mr. Arvind Mehta
		Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta
		Mrs. Rita Mehta, Wife of Mr. Arun Mehta
		Mrs. Premlata Kumat, Mother of Mr. Amit Kumat
		Mrs. Swati Bapna, Sister of Mr. Amit Kumat
		Mrs. Rakhee Kumat, Wife of Mr. Amit Kumat
		Mrs. Sandhya Kumat, Wife of Mr. Apoorva Kumat
		Mr. Satvik Kumat, Son of Mr. Apoorva Kumat
	Company in which relatives of KMP have control	Vyapaar Vistar Tech Private Limited
(c)	**Enterprise where control over the composition of governing body exists**	Prataap Snacks Employees Welfare Trust

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
a.	**Interest income**		
	Enterprise where control over the composition of governing body exists	86.42	142.73
		86.42	**142.73**
b.	**Sales of goods**		
	Subsidiary	816.34	651.84
		816.34	**651.84**
c.	**Purchase of goods**		
	Subsidiary	131.26	68.24
		131.26	**68.24**

Notes to the Standalone Financial Statements

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
d.	**Remuneration - short term employee benefits**		
	Key managerial personnel*	202.50	225.00
	Independent directors sitting fees and commission (including reimbursement of expenses)**	63.28	55.30
	Relatives of key management personnel*	-	3.70
		265.78	**284.00**

* Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

** Includes provision for commission payable to Independent Directors amounting to ₹ 25 lakhs (31 March 2020: ₹ 25 lakhs)

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
e.	**Dividend**		
	Enterprise having significant influence	83.93	83.93
	Key managerial personnel	16.96	16.84
	Relatives of key management personnel	37.19	37.19
		138.08	**137.96**
f.	**Expenses incurred on behalf of**		
	Enterprises where control over the composition of governing body exists	-	7.54
		-	**7.54**
g.	**Services received**		
	Company in which relatives of KMP have control	17.00	-
		17.00	**-**
h.	**Guarantee cancelled**		
	Key managerial personnel	300.00	-
		300.00	**-**

		As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
i.	**Closing balances**		
	Loans receivables		
	Enterprise where control over the composition of governing body exists	1,814.80	1,728.38
		1,814.80	**1,728.38**
	*Includes interest accrued amounting to ₹ 627.65 lakhs (As at 31 March 2020: ₹ 541.23 lakhs)]		
	Trade receivables		
	Subsidiary	26.45	7.33
		26.45	**7.33**
	Trade payable		
	Subsidiary	3.68	24.50
	Company in which relatives of KMP have control	5.77	-
		9.45	**24.50**
j.	**Guarantee given to banks for loans taken by the Company***		
	Key managerial personnel	-	300.00
	* To the extent borrowings outstanding	**-**	**300.00**

Notes to the Standalone Financial Statements

Terms and conditions of transactions with related parties

The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

NOTE 40: SEGMENT INFORMATION

For management purpose, the Company comprise of only one reportable segment – Snacks food. The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

A. Information about products and services

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Revenue from sale of goods to external customers		
Finished goods	99,893.86	1,20,825.20
Traded goods	183.77	1,050.24
	1,00,077.63	**1,21,875.44**

B. Information about geographical areas

	Sale of goods ₹ lakhs	Non current operating assets ₹ lakhs
Year ended 31 March 2021		
India	99,833.11	32,770.16
Outside India	244.52	-
Total	**1,00,077.63**	**32,770.16**
Year ended 31 March 2020		
India	1,21,509.06	34,829.75
Outside India	366.38	-
Total	**1,21,875.44**	**34,829.75**

C. Notes

1. Segment revenue in the geographical segments considered for disclosure are as follows:
   a) Revenue within India includes sales to customers located within India.
   b) Revenue outside India includes sales to customers located outside India.
2. The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.
3. Non current operating assets consist of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development.

NOTE 41: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF THE ACT

Included in financial assets are certain loans the particulars of which are disclosed below as required by Section 186(4) of the Act

Name of the loanee	Rate of interest	Due date	Opening balance* ₹ lakhs	Loan given ₹ lakhs	Loan repaid ₹ lakhs	Closing balance* ₹ lakhs
Prataap Snacks Employees Welfare Trust ('PSEWT')						
Year ended 31 March 2021	5%	31 March 2023	1,187.15	-	-	1,187.15
Year ended 31 March 2020	9%	31 March 2023	1,179.61	7.54	-	1,187.15

*Excludes interest accrued amounting to ₹ 627.65 lakhs (As at 31 March 2020: ₹ 541.23 lakhs)]

Notes to the Standalone Financial Statements

Purpose of loan - The loan has been given to PSEWT for further advancement to the employees of the Company for purchase of Company's share under erstwhile Employee Stock Purchase Plan.

NOTE 42: GOVERNMENT GRANT

(a) Government grant consists of GST incentive amounting to ₹ 80.61 lakhs (31 March 2020: ₹ 53.13 lakhs), freight subsidy amounting to ₹ 31.73 lakhs (31 March 2020: ₹ 45.21 lakhs) and capital subsidy amounting to Nil (31 March 2020: 19.94). There are no unfulfilled conditions or contingencies attached to these grants.

(b) The Company is eligible for government grant under 'Pradhan Mantri Rojgar Protsahan Yojana' ('PMRPY') to the extent of 8.33% of the employer's contribution to the Employee's Pension Scheme on satisfaction of the terms attached to the grant. The said grant income is recognised by the Company by deducting the grant amount from the related expense. Accordingly, the contract labour expense (Refer Note 34) is lower by ₹ 10.42 lakhs (31 March 2020: ₹ 30.59 lakhs) and employee benefits expense (Refer Note 31) is lower by ₹ 1.11 lakhs (31 March 2020: ₹ 4.39 lakhs).

NOTE 43: EMPLOYEE STOCK APPRECIATION RIGHTS

The Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on 9 August 2019 have granted 3,47,000 Stock Appreciation Rights ('SAR') to eligible employees of the Company and its subsidiary under Prataap Employees Stock Appreciation Rights Plan 2018 ('ESAR'). The said grant was approved by the shareholders in their Annual General Meeting held on 28 September 2018. The rights entitle the employees, equity shares of the Company on satisfaction of service conditions attached to the grant and consequent exercise of the rights by the employees. The SAR's shall be vested in four equal installments every year commencing from the end of one year from the grant date. The number of equity shares to be issued shall be determined based on the difference between the base price as per the scheme and the share price on the date of exercise.

The fair value of the ESAR's was determined using the Black Scholes model using the following inputs at the grant date

	09 August 2020	09 August 2021	09 August 2022	09 August 2023
Weighted average fair value at measurement date (₹ per share)	778.45	778.45	778.45	778.45
Expected Life (In years)	2.51	3.51	4.51	5.51
Expected volatility (%)	30.25%	30.25%	30.25%	30.25%
Risk-free interest rate (%)	5.79%	5.95%	6.10%	6.23%
Exercise Price (₹ per share)	775.00	775.00	775.00	775.00
Dividend yield (%)	0.13%	0.13%	0.13%	0.13%

The expected life of the ESAR's is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The movement in the SAR is as follows

	No. of Options in lakhs	
	31 March 2021	31 March 2020
Outstanding at the beginning of the year	3.47	-
Granted during the year	-	3.47
Outstanding at the end of the year	**3.47**	**3.47**

The weighted average remaining contractual life for the ESAR outstanding is 3.86 years (As at 31 March 2020 :4.86 years).

Notes to the Standalone Financial Statements

Amount recognised in the standalone financial statement related to employee stock appreciation rights

	31 March 2021 ₹ lakhs	31 March 2020 ₹ lakhs
Employee stock appreciation rights expense - included in Employee benefits expense (Refer Note 31)	313.37	271.59
Carrying amount of Employee stock appreciation rights reserve - included in Other Equity (Refer Note 17)	584.96	271.59

NOTE 44: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair value	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Non-current financial assets				
Loans	1,814.80	1,728.38	1,814.80	1,728.38
Other financial assets	4,540.20	4,745.17	4,584.14	4,781.59
Current financial assets				
Trade receivables	2,556.46	3,183.22	2,556.46	3,183.22
Cash and bank balances	2,507.21	4,536.29	2,507.21	4,536.29
Loans	112.40	123.33	112.40	123.33
Other financial assets	3,422.36	491.98	3,422.36	491.98
	14,953.43	**14,808.37**	**14,997.37**	**14,844.79**

	Carrying value		Fair value	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Non-current financial liabilities				
Other financial liabilities	3,557.99	6,858.00	3,557.99	6,858.00
Current financial liabilities				
Borrowings	1,014.18	300.00	1,014.18	300.00
Trade payables	8,672.38	8,346.14	8,672.38	8,346.14
Other financial liabilities	214.97	518.78	214.97	518.78
	13,459.52	**16,022.92**	**13,459.52**	**16,022.92**

The management assessed that fair value of trade receivables, other current financial assets, current loans, cash and bank balances, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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

Notes to the Standalone Financial Statements

2. The fair value of bank borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value. Refer Note 45 for the fair value of other non current financial liabilities.

NOTE 45: FAIR VALUE HIERARCHY

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

Quantitative disclosures fair value measurement hierarchy for assets As at 31 March 2021:

	Fair value measurement using		
	Quoted prices in active markets (Level 1) ₹ lakhs	Significant observable inputs (Level 2) ₹ lakhs	Significant unobservable inputs (Level 3) ₹ lakhs
Assets and liabilities for which fair values are disclosed			
Non-current financial assets			
Loans	-	1,814.80	-
Other financial assets	-	4,584.14	-
Current financial assets			
Trade receivables	-	2,556.46	-
Cash and bank balances	-	2,507.21	-
Loans	-	112.40	-
Other financial assets	-	3,422.36	-
Non-current financial liabilities			
Other financial liabilities	-	-	3,557.99
Current financial liabilities			
Borrowings	-	1,014.18	-
Trade payables	-	8,672.38	-
Other financial liabilities	-	214.97	-

Fair value measurements using significant unobservable inputs (Level 3)

The following tables summarises the valuation techinques used and the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

	Fair value As at 31 March 2021 ₹ lakhs	Significant unobservable inputs	Sensitivity
Deferred contingent consideration*	3,557.99	Discount rate	A change of 100 basis points would increase/ decrease the fair value by ₹ 48 lakhs
		Expected profitability	A change of 100 basis points would increase/ decrease the fair value by ₹ 28 lakhs

* The fair valuation of the deferred contingent consideration is done basis management estimate of the maximum earn out value that will be payable for written put option to purchase balance 9.52% stake in Avadh Snacks Private Limited, discounted to present value using pre tax rate of 8.50%.

Notes to the Standalone Financial Statements

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	₹ lakhs
Opening balance as at 1 April 2020	6,858.00
Purchase of 10.48% stake in Avadh Snacks Private Limited	(3,300.01)
Change in the fair value during the year	-
Closing balance as at 31 March 2021	**3,557.99**

Quantitative disclosures fair value measurement hierarchy for assets As at 31 March 2020:

	Fair value measurement using		
	Quoted prices in active markets (Level 1) ₹ lakhs	Significant observable inputs (Level 2) ₹ lakhs	Significant unobservable inputs (Level 3) ₹ lakhs
Assets and liabilities for which fair values are disclosed			
Non-current financial assets			
Loans	-	1,728.38	-
Other financial assets	-	4,781.59	-
Current financial assets			
Trade receivables	-	3,183.22	-
Cash and bank balances	-	4,536.29	-
Loans	-	123.33	-
Other financial assets	-	491.98	-
Non-current financial liabilities			
Other financial liabilities	-	-	6,858.00
Current financial liabilities			
Borrowings	-	300.00	-
Trade payables	-	8,346.14	-
Other financial liabilities	-	518.78	-

Fair value measurements using significant unobservable inputs (Level 3)

The following tables summarises the valuation techinques used and the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

	Fair value As at 31 March 2020 ₹ lakhs	Significant unobservable inputs	Sensitivity
Deferred contingent consideration*	6,858.00	Discount rate	A change of 100 basis points would increase/ decrease the fair value by ₹ 179 lakhs
		Expected profitability	A change of 100 basis points would increase/ decrease the fair value by ₹ 66 lakhs

* The fair valuation of the deferred contingent consideration is done basis management estimate of the maximum earn out value that will be payable for written put option to purchase balance 20% stake in Avadh Snacks Private Limited, discounted to present value using pre tax rate of 8.50%

Notes to the Standalone Financial Statements

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	₹ lakhs
Opening balance as at 1 April 2019	6,858.00
Change in the fair value during the year	-
Closing balance as at 31 March 2020	**6,858.00**

NOTE 46: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include deposits, trade and other receivables, and cash and bank balances that derive directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Company is not significantly exposed to other price risk whereas the exposure to currency risk and interest risk is given below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings.

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for term loans that have floating rate at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If the interest rates had been 100 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	Year ended 31 March 2021		**Year ended 31 March 2020**	
	100 bps increase ₹ lakhs	**100 bps decrease ₹ lakhs**	**100 bps increase ₹ lakhs**	**100 bps increase ₹ lakhs**
Interest expenses on loan	1.03	(1.03)	-	-
Effect on profit before tax and equity	(1.03)	1.03	-	-

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's receivables due to transactions entered in foreign currencies.

Notes to the Standalone Financial Statements

Foreign exchange exposures outstanding at the year end

	Currency	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Export receivables	USD	0.26	0.48

Foreign exchange exposures outstanding at the year end in ₹

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Export receivables	18.93	35.66
Net exposure (₹)	**18.93**	**35.66**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities.

	Increase / decrease in USD to ₹ %	Effect on profit before tax and equity	
		As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Export receivables	2%	0.38	0.71
	(2%)	(0.38)	(0.71)

Based on the above, the foreign exchange exposure of the Company is considered to be minimal.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Trade receivables	2,556.46	3,183.22
Loans	1,927.20	1,851.71
Other financial assets	7,962.56	5,237.15
	12,446.22	**10,272.08**

Refer Note a below for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

Notes to the Standalone Financial Statements

a. **Trade receivables**

Customer credit is managed by the Company's through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date, the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	₹ lakhs	
	Upto 180 Days	**More than 180 Days**
As at 31 March 2021		
Expected loss rate	0.00%	100.00%
Gross carrying amount	2,556.46	468.66
Loss allowance provision	**-**	**468.66**
As at 31 March 2020		
Expected loss rate	0.00%	100.00%
Gross carrying amount	3,183.22	526.91
Loss allowance provision	**-**	**526.91**

Reconciliation of loss allowance provision for trade receivables

	As at 31 March 2021 ₹ lakhs	**As at 31 March 2020 ₹ lakhs**
Balance as at beginning of the year	526.91	274.33
On receivables originated in the year	99.31	260.94
Amounts recovered during the year	(38.68)	(8.36)
Amounts written off during the year	(118.88)	-
Balance at end of the year	**468.66**	**526.91**

Liquidity Risk

(i) **Liquidity risk management**

The Company's principle sources of liquidity are cash and bank balances, fixed deposits and the cash flow that is generated from operations.The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, liquidity risk is considered as low. The Company closely monitors its liquidity position and also maintains adequate source of funding.

(ii) **Maturities of financial liabilities**

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes to the Standalone Financial Statements

	Less than 1 Year ₹ lakhs	1 - 5 Years ₹ lakhs	More than 5 years ₹ lakhs	Total ₹ lakhs
As at 31 March 2021				
Non-Current liabilities:				
(i) Lease liabilities	-	3,794.01	113.86	3,907.87
(ii) Other financial liabilities	-	4,004.00	-	4,004.00
Current liabilities:				
(i) Borrowings	1,014.18	-	-	1,014.18
(ii) Lease liabilities	1,674.91	-	-	1,674.91
(iii) Trade payables	8,672.38	-	-	8,672.38
(iv) Other financial liabilities	214.97	-	-	214.97
	11,576.44	**7,798.01**	**113.86**	**19,488.31**
As at 31 March 2020				
Non-current liabilities:				
(i) Lease liabilities	-	7,560.05	727.25	8,287.30
(ii) Other financial liabilities	-	8,769.00	-	8,769.00
Current liabilities:				
(i) Borrowings	300.00	-	-	300.00
(ii) Lease liabilities	2,407.04	-	-	2,407.04
(iii) Trade payables	8,346.14	-	-	8,346.14
(iv) Other financial liabilities	518.78	-	-	518.78
	11,571.96	**16,329.05**	**727.25**	**28,628.26**

Changes in liabilities arising from financing activities:

	As at 01 April 2020 ₹ lakhs	Net Cash Inflow ₹ lakhs	Net Cash Outflow ₹ lakhs	As at 31 March 2021 ₹ lakhs
Short-term interest bearing borrowings	300.00	1,000.00	(285.82)	1,014.18
	300.00	**1,000.00**	**(285.82)**	**1,014.18**

	As at 01 April 2019 ₹ lakhs	Net Cash Inflow ₹ lakhs	Net Cash Outflow ₹ lakhs	As at 31 March 2020 ₹ lakhs
Short-term interest bearing borrowings	1,758.89	300.00	(1,758.89)	300.00
	1,758.89	**300.00**	**(1,758.89)**	**300.00**

Notes to the Standalone Financial Statements

NOTE 47: CAPITAL MANAGEMENT

For the purpose of the Company’s capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company’s capital management is to maximise the shareholders' value. The Company’s capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders’ value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company’s policy is to keep healthy debt equity ratio ensuring minimum debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Debt* (A)	1,014.18	300.00
Equity (B)	61,350.50	59,183.55
Debt / Equity ratio (A / B)	0.02	0.01

*Excluding lease liabilities

NOTE 48: IMPACT OF COVID-19

On account of the spread of COVID-19 virus, the Government of India had imposed a complete nation-wide lockdown on 24 March 2020 leading to shut down of the Company's manufacturing facilities (including contract manufacturing facilities) and operations. During the year, the operations of the Company were impacted due to production constraints. However, the Company has resumed operations at all its manufacturing facilities in a phased manner and is currently in the process of further scaling up its operations. As the products manufactured by the Company are covered under essential services, the impact has been less significant. Management believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. Management is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these standalone financial statements.

NOTE 49: RECENT PRONOUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Notes to the Standalone Financial Statements

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as Current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Independent Auditor's Report

To the Members of Prataap Snacks Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Prataap Snacks Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and controlled trust (the Holding Company, its subsidiaries and controlled trust together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of a subsidiary and controlled trust, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditor of component not audited by us, as reported by them in their audit report furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Determination of transaction price (as described in Note 2.3 (C) and 26 of the Consolidated Ind AS financial statements)	
Revenue is recognized on satisfaction of performance obligation i.e. when goods are delivered to customers. The Group considers the terms of the contract and its customary business practices to determine the transaction price which includes variable consideration (discounts, rebates, incentives and other similar items). In certain cases, such variable consideration is not ascertained until claims with appropriate evidence is presented by the customer to the Group. Estimation of variable consideration is done based on terms of contract, incentive schemes and historical experience adjusted with the forward looking estimates. Revenue recognition is considered as key audit matter due to the magnitude of amount involved and significant judgement required in estimation of variable consideration.	Our procedures included, amongst others, the following: • Considered the Group's revenue recognition accounting policy with respect to Ind AS 115 "Revenue from Contract with Customers" • Obtained an understanding, evaluated the design and tested the internal controls over the process for determination of transaction price including estimation of variable consideration through inspection of evidence of performance of controls. • Performed the test of details including the following key procedures: ➢ For selected samples, read the terms of contract and incentive schemes as approved by authorized personnel ➢ Evaluated the assumptions used in estimation of variable consideration by comparing with the budgets, past trends. ➢ Performed retrospective review of the estimates to identify significant variances and assessed whether those variances have been considered in estimation of variable consideration • Assessed the disclosures in accordance with the requirements of Ind AS 115 "Revenue from Contract with Customers"
Measurement of deferred tax (as described in Note 20 of the Consolidated Ind AS financial statements)	
The Group has recognized Minimum Alternate Tax (MAT) credit receivable of ₹ 1,603.47 lakhs as at March 31, 2021. The Group also has recognized deferred tax liability of ₹ 4,889.06 lakhs majorly on account of accelerated depreciation for tax purposes. Pursuant to the Taxation Laws (Amendment) Act, 2019 (new tax regime), the Group has measured its deferred tax balances basis the likely transition to the new tax regime, at the rates specified in the new tax regime. The measurement of MAT credit receivable and deferred tax balances is a key audit matter as the estimation of the year of transition to the new tax regime involves significant estimate of the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Group.	Our procedures included, amongst others, the following: • Considered Group's accounting policies with respect to recognition and measurement of tax balances in accordance with Ind AS 12 "Income Taxes" • Obtained an understanding, evaluated the design and tested the internal controls over the process for measurement of tax balances through inspection of evidence of performance of these controls. • Performed the test of details including the following key procedures: ➢ Involved tax specialists who evaluated the Group's tax positions basis the tax law and also by comparing it with prior years and past precedents ➢ Discussed the future business plans and financial projections with the management ➢ Assessed the management's long-term financial projections and the key assumptions used in the projections by comparing it with the past trends, external data, where available and projections used for impairment assessment. ➢ Assessed the deferred tax on temporary differences which are expected to reverse after the date of transition to new tax regime and considered the impact thereof. • Assessed the disclosures in accordance with the requirements of Ind AS 12 "Income Taxes".

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the Ind AS financial statements and other financial information, in respect of a subsidiary and a controlled trust, whose Ind AS financial statements include total assets of ₹ 1,982.45 lakhs as at March 31, 2021, and total revenues of ₹ 98.96 lakhs, total net loss after tax ₹ 34.56 lakhs, total comprehensive loss ₹ 34.56 lakhs and net cash inflows of ₹ 13.09 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, whose Ind AS financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and controlled trust, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and controlled trust, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of a subsidiary and a controlled trust, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow

Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to 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 and based on the consideration of the report of the other auditor on separate Ind AS financial statements as also the other financial information of the subsidiary company, as noted in the 'Other Matter' paragraph:

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note 37 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2021.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 21112773AAAADW1597

Mumbai
May 28, 2021

Annexure 1

to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Prataap Snacks Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, as amended ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Prataap Snacks Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Prataap Snacks Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to a subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership Number: 112773
UDIN: 21112773AAAADW1597

Mumbai
May 28, 2021

Consolidated Balance Sheet

		Notes	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, plant and equipments	3	33,934.22	35,927.92
	(b) Capital work-in-progress	3	2,085.69	1,961.75
	(c) Goodwill	4	4,611.00	4,611.00
	(d) Other Intangible assets	4	17,256.66	18,246.80
	(e) Financial assets			
	(i) Loans	5	1,829.74	1,747.85
	(ii) Other non-current financial assets	6	4,551.69	4,763.83
	(f) Deferred tax assets (net)	20	21.51	22.00
	(g) Tax assets (net)		37.09	-
	(h) Other non-current assets	7	339.67	620.61
	TOTAL NON-CURRENT ASSETS		**64,667.27**	**67,901.76**
	CURRENT ASSETS			
	(a) Inventories	8	13,067.81	13,230.83
	(b) Financial assets			
	(i) Trade receivables	9	2,661.67	3,257.20
	(ii) Cash and cash equivalents	10	1,178.47	2,646.61
	(iii) Bank balance (other than (ii) above)	11	1,861.70	2,734.71
	(iv) Loans	12	112.40	123.32
	(v) Other current financial assets	13	3,422.36	491.98
	(c) Other current assets	14	1,606.61	1,697.53
	TOTAL CURRENT ASSETS		**23,911.02**	**24,182.18**
	TOTAL ASSETS		**88,578.29**	**92,083.94**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	15	1,172.65	1,172.65
	(b) Other equity	16	61,138.94	59,627.04
	TOTAL EQUITY		**62,311.59**	**60,799.69**
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Lease liabilities	36	3,407.53	5,812.94
	(ii) Other non-current financial liabilities	18	3,557.99	6,858.00
	(b) Provisions	19	450.64	388.25
	(c) Deferred tax liabilities (net)	20	3,307.11	4,018.54
	(d) Other non-current liabilities	21	2,027.88	2,302.97
	TOTAL NON-CURRENT LIABILITIES		**12,751.15**	**19,380.70**
	CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	17	1,014.18	300.00
	(i) Lease liabilities	36	1,302.88	1,220.07
	(iii) Trade payables	22		
	Total outstanding dues of micro and small enterprises		376.88	-
	Total outstanding dues of trade payables other than micro and small enterprises		8,885.29	8,746.67
	(iv) Other current financial liabilities	23	215.44	590.03
	(b) Provisions	19	70.24	63.50
	(c) Tax liabilities (net)	25	186.56	100.12
	(d) Other current liabilities	24	1,464.08	883.16
	TOTAL CURRENT LIABILITIES		**13,515.55**	**11,903.55**
	TOTAL LIABILITIES		**26,266.70**	**31,284.25**
	TOTAL EQUITY AND LIABILITIES		**88,578.29**	**92,083.94**

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

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Consolidated Statement of Profit and Loss

		Notes	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
I	Revenue from operations	26	1,17,108.88	1,39,379.42
II	Other income	27	884.15	920.33
III	**TOTAL INCOME (I + II)**		**1,17,993.03**	**1,40,299.75**
IV	**EXPENSES**			
	(a) Cost of materials consumed	28	84,563.68	98,309.92
	(b) Purchases of stock-in-trade		50.66	828.97
	(c) Changes in inventories of finished goods and stock-in-trade	29	(305.23)	332.01
	(d) Employee benefits expense	30	5,330.81	5,769.56
	(f) Finance costs	31	627.18	746.43
	(f) Depreciation and amortisation expenses	32	5,456.54	6,174.12
	(g) Other expenses	33	21,162.29	24,771.19
	TOTAL EXPENSES		**1,16,885.93**	**1,36,932.20**
V	**Profit before tax for the year (III - IV)**		**1,107.10**	**3,367.55**
VI	**Tax expenses**			
	(a) Current tax	20	408.70	906.50
	(b) Deferred tax (including Minimum Alternate Tax)	20	(717.19)	(355.19)
	(c) Re-measurement of deferred tax on account of New Tax Regime	20	-	(1,875.72)
	Total tax expenses		**(308.49)**	**(1,324.41)**
VII	**Profit after tax for the year (V - VI)**		**1,415.59**	**4,691.96**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gain / (loss) on defined benefit plan	35	23.73	(25.50)
	(b) Income tax relating to above	20	(6.27)	8.66
	Total other comprehensive income / (loss) for the year (net of tax)		**17.46**	**(16.84)**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,433.05**	**4,675.12**
X	**Earnings per equity share:**			
	Equity shares of face value of ₹ 5 (31 March 2020: ₹ 5) each			
	(a) Basic - ₹	34	6.04	20.01
	(b) Diluted - ₹	34	6.04	20.01
	The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL:

	No. in lakhs	₹ lakhs
Issued, subscribed and fully paid		
As at 1 April 2019	**234.53**	**1,172.65**
Change in the equity share capital during the year	-	-
As at 31 March 2020	**234.53**	**1,172.65**
Change in the equity share capital during the year	-	-
As at 31 March 2021	**234.53**	**1,172.65**

B. OTHER EQUITY:

	Securities premium ₹ lakhs	Retained earnings ₹ lakhs	Employee stock appreciation rights reserve (Refer Note 41) ₹ lakhs	Total other equity ₹ lakhs
As at 1 April 2019	**38,282.76**	**16,680.30**	**-**	**54,963.06**
Profit for the year	-	4,691.96	-	4,691.96
Other comprehensive income	-	(16.84)	-	(16.84)
Total comprehensive income	**-**	**4,675.12**	**-**	**4,675.12**
Employee Stock Appreciation Rights	-	-	271.59	271.59
Dividend paid on equity shares (including dividend distribution tax of ₹ 48.21 lakhs)	-	(282.74)	-	(282.74)
As at 31 March 2020	**38,282.76**	**21,072.69**	**271.59**	**59,627.04**

	Securities premium ₹ lakhs	Retained earnings ₹ lakhs	Employee stock appreciation rights reserve (Refer Note 41) ₹ lakhs	Total other equity ₹ lakhs
As at 1 April 2020	**38,282.76**	**21,072.69**	**271.59**	**59,627.04**
Profit for the year	-	1,415.59	-	1,415.59
Other comprehensive income	-	17.46	-	17.46
Total comprehensive income	**-**	**1,433.05**	**-**	**1,433.05**
Employee Stock Appreciation Rights	-	-	313.37	313.37
Dividend paid on equity shares	-	(234.53)	-	(234.53)
As at 31 March 2021	**38,282.76**	**22,271.22**	**584.96**	**61,138.94**

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Consolidated Cash Flows Statement

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**1,107.10**	**3,367.55**
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expenses	5,456.54	6,174.12
Loss on sale of property, plant and equipments	5.73	48.90
Provision for slow moving inventory	26.92	136.02
Balances written back	-	(4.68)
Bad debts / Sundry debit balances written off	118.88	-
Provision for doubtful receivables and advances	187.21	234.93
Provision for expenses on employee stock appreciation rights	313.37	271.59
Amortisation of deferred Government grant	(276.17)	(277.25)
Finance cost	627.18	742.23
Interest income	(884.14)	(920.09)
Operating profit before working capital changes	**6,682.62**	**9,773.32**
Working capital adjustments:		
Decrease / (increase) in inventories	136.10	(1,418.42)
Decrease / (increase) in trade receivables	546.91	(433.51)
Decrease / (increase) in loans	14.02	(50.71)
Decrease / (increase) in other financial assets	43.56	122.81
Decrease / (increase) in other assets	(165.88)	599.36
Increase / (decrease) in trade payables	515.50	186.40
Increase / (decrease) in other financial liabilities	(339.14)	(41.60)
Increase / (decrease) in provisions	92.86	95.58
Increase / (decrease) in other liabilities	582.00	(695.53)
	8,108.55	**8,137.70**
Income tax paid (net of refund received)	(371.72)	(625.62)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**7,736.83**	**7,512.08**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments including capital work-in-progress and capital advances	(3,382.75)	(5,884.74)
Purchase of intangibles including assets under development	(45.39)	(14.25)
Payment of deferred contingent consideration	(3,300.01)	-
Proceeds from sale of property, plant and equipments	150.81	94.60
Fixed Deposits with banks not considered as cash and cash equivalent	(1,634.87)	482.20
Interest received	432.21	388.22
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(7,780.00)**	**(4,933.97)**

Consolidated Cash Flows Statement (contd.)

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,000.00	300.00
Repayment of lease liabilities	(1,396.94)	(1,116.78)
Interest paid on lease liabilities	(405.83)	(692.46)
Repayment of short-term borrowings	(285.82)	(1,786.59)
Receipt of government grant	107.15	830.00
Interest paid	(209.01)	(49.71)
Dividend (including dividend distribution tax)	(234.52)	(282.74)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(1,424.97)**	**(2,798.28)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,468.14)**	**(220.17)**
Cash and cash equivalents at the beginning of the year	2,646.61	2,866.78
Cash and cash equivalents at the end of the year (Refer Note 10)	**1,178.47**	**2,646.61**

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Notes to the consolidated financial statements

NOTE 1: CORPORATE INFORMATION

Prataap Snacks Limited ('PSL' or 'the Holding Company') is a public Company domiciled in India having CIN L15311MP2009PLC021746 and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Holding Company is located at Khasra No. 378/2, Nemawar Road, Near Makrand House, Indore, Madhya Pradesh, 452020, India. The PSL, its subsidiaries and controlled trust (PSL, its subsidiaries and controlled trust together referred to as "the Group") is primarily engaged in the business of snacks food.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 28 May 2021.

NOTE 2.1: BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable (as amended from time to time).

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

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

The consolidated financial statements are presented in India Rupee ('₹') and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

NOTE 2.2: BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Details of Group's components at the end of the year considered in preparation of the consolidated financial statements is as under:

Name of the component	Country of incorporation	% voting power held as at 31 March 2021	% voting power held as at 31 March 2020
Subsidiary (Direct)			
Avadh Snacks Private Limited*	India	90.48	80.00
Subsidiary (Indirect)			
Red Rotopack Private Limited	India	100.00	100.00
Controlled trust			
Prataap Snacks Employees Welfare Trust	India	100.00	100.00

** The economic interest of the Holding Company in Avadh Snacks Private Limited is 100% as at 31 March 2021 (as at 31 March 2020: 100%) through written put option on the remaining stake (Refer Note 44)*

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

Notes to the consolidated financial statements

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, if any.

NOTE 2.3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) CURRENT VS NON-CURRENT CLASSIFICATION

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

(B) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgements, estimates and

Notes to the consolidated financial statements

assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accounting disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the Consolidated financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and assumptions

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

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

The Group reviews the useful life of property, plant and equipments at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2.3 (E) and (F) for management estimate of useful lives.

In accordance with the requirements of Ind AS 16 "Property, Plant and Equipment", the Group has reassessed the useful life of property, plant and equipments and has revised the estimated useful life of plant and machineries to 15 years from the existing useful life of 10 to 21 years on the basis of technical evaluation carried out by the management's expert. The effect of the said change is recognised prospectively w.e.f. 1 July 2020 as per the requirements of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Consequent to this change, depreciation is lower and net profit before tax is higher by ₹ 1,052.62 lakhs for the year ended 31 March 2021. Further, the basic and diluted earnings per share (not annualised) is higher by ₹ 2.94 for the year ended 31 March 2021.

(ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised. The measurement of MAT credit receivable and deferred tax balances requires estimation of the year of transition to the new tax regime basis the financial projections, availability of sufficient taxable income in the future and tax positions adopted by the Group.

(iii) Discounts and rebates on sales

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

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of

Notes to the consolidated financial statements

inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 43 and 44 for further disclosures.

(C) REVENUE FROM OPERATIONS

(i) Revenue from contract with customer

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

Sale of goods

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

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

Variable consideration

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

The Group provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability included in other current financial liabilities is recognised for expected discounts and rebates payable to customers in relation to sales made until the end of the reporting period. The Group does not generally accept sales return, except in limited cases where the goods supplied are damaged in transit / production related issues occur subsequently. Historical experience is used to estimate such returns at the time of sale. No asset is recognised for products to be recoverable from these returns, as they are not anticipated to be resold.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Notes to the consolidated financial statements

(ii) Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the Effective Interest Rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

(D) GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Government grants such as sales tax incentive schemes and freight subsidies are recognised in the statement of profit and loss as a part of other operating revenues.

(E) PROPERTY, PLANT AND EQUIPMENTS

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipments is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipments and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipments are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Property, plant and equipments as a replacement if the recognition criteria are satisfied.

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

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

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

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

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

Property, plant and equipments	Useful lives
Factory buildings	30 years
Plant and equipments*	15 years
Electrical installations*	15 years
Furniture and fixtures	10 years
Computers*	3 years to 6 years
Office equipments*	3 years to 5 years
Vehicles	8 years
Leasehold improvements	Amortised over the period of lease term ranging from 9 to 10 years

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

Notes to the consolidated financial statements

(F) INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised on straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

Intangible assets	Useful lives
Computer software	5 years
Trade Name and Distribution Network	20 years

(G) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Notes to the consolidated financial statements

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill is not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(H) INVENTORIES

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

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

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

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

(I) LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

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

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Right-of-use assets	Useful lives
Facilities	5 to 7 years
Leasehold land	3 to 9 years
Building	2 to 9 years

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

Notes to the consolidated financial statements

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

(J) SEGMENT REPORTING

Based on "management approach" as defined in Ind AS 108 - Operating segments, the management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Group has only one business segment 'snacks food'.

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

(K) PROVISIONS

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

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

(L) EMPLOYEE BENEFITS

I. Short term employee benefits

All short term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences (such as casual leave) are recognised on an undiscounted basis and charged to the statement of profit and loss.

II. Post-employment obligations

The Group operates the following post-employment schemes:

a. Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an

Notes to the consolidated financial statements

employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

b. Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

III. Other long term employee benefit

The Group has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method.

The Group presents the leave as the current liability in the consolidated balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in consolidated balance sheet.

IV. Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Appreciation Rights Plan whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee stock appreciation rights

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('ESAR') reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

(M) TAXATION

Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition

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of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

For operations carried out under tax holiday period (Section 80IB and 80IE benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT)

MAT expense in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(N) FOREIGN CURRENCIES

The Group’s consolidated financial statements are presented in indian rupees (₹), which is also the Group’s functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognised as income or expense in the year in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(O) FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use

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when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the fianancial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Other fair value related disclosures are given in the relevant notes.

(P) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. Fair value through statement of profit and loss ('FVTPL')), or recognised in OCI (i.e. Fair value through OCI ('FVTOCI')).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through the statement of profit and loss under the fair value option.

- Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified

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dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. Removed from the Group's balance sheet) when the right to receive cash flows from the asset is transferred or expired.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are equity instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 116

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the

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balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

II) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit and Loss ('FVTPL'). A financial liability is measured at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using EIR method.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(Q) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

(R) BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they incurred. Borrowing cost includes interest and other costs that an entity incurs in connection with the

Notes to the consolidated financial statements

borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(S) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(T) CONTINGENT LIABILITY AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

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

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(U) BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Notes to the consolidated financial statements

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Notes to the consolidated financial statements

NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Note A: Owned assets

	Leasehold improvements ₹ lakhs	Freehold lands ₹ lakhs	Factory buildings ₹ lakhs	Plant and equipments ₹ lakhs	Furniture and fixtures ₹ lakhs	Office equipments ₹ lakhs	Computers ₹ lakhs	Vehicles ₹ lakhs	Capital work-in-progress ₹ lakhs	Total ₹ lakhs
I Gross carrying amount										
As at 1 April 2019	**1,630.63**	**3,697.04**	**4,935.47**	**24,371.72**	**195.57**	**217.58**	**137.22**	**1,545.52**	**671.26**	**37,402.01**
Additions	148.59	-	533.87	3,084.05	14.41	94.85	20.86	322.39	5,509.51	9,728.53
Disposals	-	-	-	167.86	-	-	-	-	-	167.86
Transfer/capitalised	-	-	-	-	-	-	-	-	4,219.02	4,219.02
As at 31 March 2020	**1,779.22**	**3,697.04**	**5,469.34**	**27,287.91**	**209.98**	**312.43**	**158.08**	**1,867.91**	**1,961.75**	**42,743.66**
Additions	162.25	-	654.11	1,840.12	21.84	50.38	18.70	736.83	3,608.17	7,092.39
Disposals	-	-	-	248.04	-	-	-	82.94	-	330.98
Transfer/capitalised	-	-	-	-	-	-	-	-	3,484.23	3,484.23
As at 31 March 2021	**1,941.47**	**3,697.04**	**6,123.45**	**28,879.99**	**231.82**	**362.81**	**176.78**	**2,521.80**	**2,085.69**	**46,020.85**
II Accumulated depreciation and impairment losses										
As at 1 April 2019	**543.14**	**-**	**401.23**	**6,560.30**	**78.60**	**63.39**	**70.08**	**282.94**	**-**	**7,999.68**
Depreciation charge for the year	258.88	-	177.46	2,831.48	25.40	44.75	32.94	243.28	-	3,614.19
Disposals	-	-	-	37.76	-	-	-	-	-	37.76
As at 31 March 2020	**802.02**	**-**	**578.69**	**9,354.02**	**104.00**	**108.14**	**103.02**	**526.22**	**-**	**11,576.11**
Depreciation charge for the year	284.18	-	204.01	2,052.39	26.15	47.81	32.36	293.13	-	2,940.03
Disposals	-	-	-	131.23	-	-	-	63.28	-	194.51
As at 31 March 2021	**1,086.20**	**-**	**782.70**	**11,275.19**	**130.15**	**155.95**	**135.38**	**756.07**	**-**	**14,321.64**
III Net carrying amount										
As at 31 March 2021	**855.27**	**3,697.04**	**5,340.75**	**17,604.80**	**101.67**	**206.86**	**41.40**	**1,765.73**	**2,085.69**	**31,699.21**
As at 31 March 2020	**977.20**	**3,697.04**	**4,890.65**	**17,933.89**	**105.98**	**204.29**	**55.06**	**1,341.69**	**1,961.75**	**31,167.55**

Notes to the consolidated financial statements

Note B: Right-of-use assets

		Leasehold lands ₹ lakhs	Buildings ₹ lakhs	Facilities ₹ lakhs	Total ₹ lakhs
I	**Gross carrying amount**				
	As at 1 April 2019 (Amount recognised on transition to Ind AS 116)	**355.50**	**3,003.30**	**3,268.66**	**6,627.46**
	Additions	-	141.41	2,219.23	2,360.64
	Disposals	-	-	821.49	821.49
	As at 31 March 2020	**355.50**	**3,144.71**	**4,666.40**	**8,166.61**
	Additions	-	102.87	1,344.29	1,447.16
	Disposals	-	-	3,271.62	3,271.62
	As at 31 March 2021	**355.50**	**3,247.58**	**2,739.07**	**6,342.15**
II	**Accumulated depreciation and impairment losses**				
	As at 1 April 2019	-	-	-	-
	Depreciation charge for the year	58.49	631.75	836.97	1,527.21
	Disposals	-	-	82.72	82.72
	As at 31 March 2020	**58.49**	**631.75**	**754.25**	**1,444.49**
	Depreciation charge for the year	58.49	642.48	780.01	1,480.98
	Disposals	-	-	904.02	904.02
	As at 31 March 2021	**116.98**	**1,274.23**	**630.24**	**2,021.45**
III	**Net carrying amount**				
	As at 31 March 2021	**238.52**	**1,973.35**	**2,108.83**	**4,320.70**
	As at 31 March 2020	**297.01**	**2,512.96**	**3,912.15**	**6,722.12**

Note C: Net carrying amount

		As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(i)	Property, plant and equipments		
	a. Owned assets	29,613.52	29,205.80
	b. Right-of-use assets	4,320.70	6,722.12
		33,934.22	**35,927.92**
(ii)	Capital work-in-progress	2,085.69	1,961.75

Notes to the consolidated financial statements

NOTE 4: INTANGIBLE ASSETS

			Other Intangible assets				
	Goodwill ₹ lakhs	Computer softwares ₹ lakhs	Brand ambassador rights ₹ lakhs	Trade Name ₹ lakhs	Distributor Network ₹ lakhs	Intangible assets under development ₹ lakhs	Total ₹ lakhs
I Gross carrying amount							
As at 1 April 2019	**4,611.00**	**284.90**	**728.72**	**5,950.00**	**13,590.00**	**1.14**	**20,554.76**
Additions	-	15.39	-	-	-	-	15.39
Disposals	-	-	728.72	-	-	1.14	729.86
As at 31 March 2020	**4,611.00**	**300.29**	**-**	**5,950.00**	**13,590.00**	**-**	**19,840.29**
Additions	-	45.39	-	-	-	-	45.39
Disposals	-	-	-	-	-	-	-
As at 31 March 2021	**4,611.00**	**345.68**	**-**	**5,950.00**	**13,590.00**	**-**	**19,885.68**
II Accumulated amortisation and impairment losses							
As at 1 April 2019	**-**	**72.27**	**728.72**	**148.75**	**339.75**	**-**	**1,289.49**
Amortisation during the year	-	55.72	-	297.50	679.50	-	1,032.72
Disposals	-	-	728.72	-	-	-	728.72
As at 31 March 2020	**-**	**127.99**	**-**	**446.25**	**1,019.25**	**-**	**1,593.49**
Amortisation during the year	-	58.27	-	297.26	680.00	-	1,035.53
Disposals	-	-	-	-	-	-	-
As at 31 March 2021	**-**	**186.26**	**-**	**743.51**	**1,699.25**	**-**	**2,629.02**
III Net carrying amount							
As at 31 March 2021	**4,611.00**	**159.42**	**-**	**5,206.49**	**11,890.75**	**-**	**17,256.66**
As at 31 March 2020	**4,611.00**	**172.30**	**-**	**5,503.75**	**12,570.75**	**-**	**18,246.80**

IV Net carrying amount

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
(i) Goodwill	4,611.00	4,611.00
(ii) Other Intangible assets		
(a) Intangible assets	17,256.66	18,246.80

Notes

In accordance with IND AS 36 "Impairment of Assets" the Group performed impairment testing of Goodwill assigned to the Cash Generating Unit (CGU) applying value in use approach i.e. using cash flow projections based on financial budgets covering a period of 5 years.

Based on the results of the Goodwill impairment test, the estimated value in use in all CGUs were higher than their respective carrying amount, and accordingly no impairment loss has been recognised during the year (31 March 2020 - Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the Goodwill.

The key assumptions used in the value in use calculations for the cash generating unit is as under:

a) Revenue and cost growth (for initial 5 years) - Increase in revenue and cost in the range of 20% to 25% per annum

b) Terminal growth rate - 6%

c) Discount rate - 13.35% pre-tax has been derived based on current cost of borrowing and cost of equity in line with the current market expectations.

Notes to the consolidated financial statements

NOTE 5: FINANCIAL ASSETS - NON-CURRENT LOANS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Loan - Others	1,829.74	1,747.85
	1,829.74	**1,747.85**

NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Non-current bank balances being deposits with remaining maturity of more than twelve months	2,406.68	2,245.01
Margin money deposits	0.16	0.50
Subsidy receivable	1,533.33	1,937.54
Security deposits	611.52	580.78
	4,551.69	**4,763.83**

Note:

Margin money deposits pertains to deposits given to various government/statutory authorities as security.

NOTE 7: OTHER NON-CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Capital advances		
Considered good	339.67	620.61
Considered doubtful	379.84	368.86
Less: Provision for doubtful advances	(379.84)	(368.86)
	339.67	**620.61**

NOTE 8: INVENTORIES

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

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Raw materials	6,867.50	7,124.60
Packing materials [including stock-in-transit: Nil (As at 31 March 2020: ₹ 0.89 lakhs)]	3,838.98	3,903.13
Finished goods [including stock-in-transit: ₹ 392.17 lakhs (As at 31 March 2020: ₹ 246.82 lakhs)]	1,765.47	1,462.71
Traded goods [including stock-in-transit: ₹ 3.34 lakhs (As at 31 March 2020: ₹ 0.88 lakhs)]	7.42	4.95
Stores, spares and other consumables	588.44	735.44
	13,067.81	**13,230.83**

Note:

The Group has created provision of ₹ 26.92 lakhs (As at 31 March 2020: ₹ 142.97 lakhs) for slow moving and non moving inventories.

Notes to the consolidated financial statements

NOTE 9: TRADE RECEIVABLES

(Unsecured unless otherwise stated)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
At amortised cost		
Considered good - Secured	-	290.53
Considered good - Unsecured	2,661.67	2,966.67
Credit impaired	474.63	544.88
Less: Allowance for credit losses (Refer Note 45)	(474.63)	(544.88)
	2,661.67	**3,257.20**

Note:

Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

NOTE 10: CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Balances with banks:		
In current accounts	1,171.61	1,860.64
Deposits with original maturity of less than three months	1.53	778.84
Cash on hand	5.33	7.13
	1,178.47	**2,646.61**

NOTE 11: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deposits with maturity less than twelve months	1,066.09	2,352.32
Margin money deposit	795.32	382.21
Earmarked Balances with bank - unpaid dividend	0.29	0.18
	1,861.70	**2,734.71**

Margin money deposits pertains to deposits given to various Government / statutory authorities as security.

NOTE 12: FINANCIAL ASSETS - CURRENT LOANS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Loan to transporters		
Unsecured considered good	-	-
Unsecured considered doubtful	4.79	4.79
Less: Allowances for credit losses	(4.79)	(4.79)
Loan to employees	112.40	123.32
	112.40	**123.32**

Notes to the consolidated financial statements

NOTE 13: OTHER CURRENT FINANCIAL ASSETS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Subsidy receivable	1,064.73	483.56
Security deposits	8.95	8.42
Fixed Deposit with bank	2,348.68	-
	3,422.36	**491.98**

NOTE 14: OTHER CURRENT ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Advances to vendors		
Considered good	1,167.20	1,434.36
Considered doubtful	467.20	221.38
Less: Provision for doubtful advances	(467.20)	(221.38)
Prepaid expenses	127.43	56.98
Balances with government authorities	311.98	206.19
	1,606.61	**1,697.53**

NOTE 15: SHARE CAPITAL

(a) Authorised share capital

	Equity shares	
	No. in lakhs	₹ lakhs
Equity shares of ₹ 5 each		
As at 1 April 2019	**320.00**	**1,600.00**
Change in authorised share capital during the year	-	-
As at 31 March 2020	**320.00**	**1,600.00**
Change in authorised share capital during the year	-	-
As at 31 March 2021	**320.00**	**1,600.00**

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

	No. in lakhs	₹ lakhs
As at 1 April 2019 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**
Changes in equity share capital during the year	-	-
As at 31 March 2020 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**
Changes in equity share capital during the year	-	-
As at 31 March 2021 (Equity shares of ₹ 5 each)	**234.53**	**1,172.65**

Notes to the consolidated financial statements

Details related to the Initial Public Offer (IPO)

The Holding Company had completed IPO in the year ended 31 March 2018 of fresh issue of 26.65 lakhs equity shares (including pre IPO of 5.33 lakhs equaity shares) of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The equity shares of the Holding Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. 5 October 2017. The details of the utilisation of IPO proceeds (including pre IPO) are as follows:

	Planned utilisation	Utilised upto 31 March 2021	Unutilised As at 31 March 2021
Repayment/pre-payment of borrowings	5,098.20	5,098.20	-
Funding capital expenditure requirements	2,747.80	2,747.80	-
Investment in subsidiary for repayment/pre-payment of borrowings	2,937.00	2,937.00	-
Marketing and brand building activities	4,000.00	4,000.00	-
General corporate purposes	5,012.90	5,012.90	-
Acquisition	3,952.00	3,952.00	-
Total	**23,747.90**	**23,747.90**	**-**

(c) Terms and rights attached to equity shares

The Group has only one class of equity shares having par value of ₹ 5 (31 March 2020: ₹ 5) per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which may be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2021		As at 31 March 2020	
	No. in Lakhs	% holding in the class	No. in Lakhs	% holding in the class
Equity shares				
SCI Growth Investment II	83.93	35.79%	83.93	35.79%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	23.54	10.04%
Malabar India Fund Limited	15.04	6.41%	14.91	6.36%
SBI Mutual Fund	12.73	5.43%	11.10	4.73%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 March 2021 No. in lakhs	31 March 2020 No. in lakhs	31 March 2019 No. in lakhs	31 March 2018 No. in lakhs	31 March 2017 No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	-	-	-	155.91	158.79

31 March 2018 - Allotment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 3 June 2017.

31 March 2017 - Allotment of bonus shares in the ratio of 5 equity shares for every equity share of ₹ 1 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 24 September 2016.

Notes to the consolidated financial statements

(f) Shares issued under Prataap Employees Stock Appreciation Rights ('ESAR') Plan 2018

Refer Note 41 for details of shares issued under the ESAR Plan 2018.

(g) Dividend paid and proposed

	31 March 2021 ₹ lakhs	31 March 2020 ₹ lakhs
Dividend on equity shares paid during the year		
Dividend for the year ended 31 March 2020: ₹ 1 per share (31 March 2019: ₹ 1 per share)	234.53	234.53
Dividend distribution tax on above	-	48.21

	31 March 2021 ₹ lakhs	31 March 2020 ₹ lakhs
Proposed dividend on equity shares*		
Dividend for the year ended 31 March 2021: ₹ 0.50 per share (31 March 2020: ₹ 1 per share)	117.27	234.53

**Proposed dividend on equity shares are subject to approval of the shareholders at the ensuing Annual General Meeting and are not recognised as liability as at 31 March 2021.*

NOTE 16: OTHER EQUITY

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Securities premium	38,282.76	38,282.76
Retained earnings	22,271.22	21,072.69
Employee stock appreciation rights reserve	584.96	271.59
	61,138.94	**59,627.04**

Securities premium

	₹ lakhs
As at 1 April 2019	**38,282.76**
As at 31 March 2020	**38,282.76**
As at 31 March 2021	**38,282.76**

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act.

Retained earnings

	₹ lakhs
As at 1 April 2019	**16,680.30**
Add: Profit for the year	4,691.96
Less: Other comprehensive income	(16.84)
Less: Amount utilised towards payment of dividend	(234.53)
Less: Dividend distribution tax	(48.21)

Notes to the consolidated financial statements

	₹ lakhs
As at 31 March 2020	**21,072.69**
Add: Profit for the year	1,415.59
Add: Other comprehensive income	17.46
Less: Amount utilised towards payment of dividend	(234.53)
As at 31 March 2021	**22,271.22**

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

Employee stock appreciation rights reserve

	₹ lakhs
As at 1 April 2019	**-**
Add: Expense recognised during the year (Refer Note 41)	271.59
As at 31 March 2020	**271.59**
Add: Expense recognised during the year (Refer Note 41)	313.37
As at 31 March 2021	**584.96**

The Holding Company has Prataap Employee Stock Appreciation Rights ('ESAR') Plan 2018 under which options to subscribe for the Holding Company's shares have been granted to certain employees. The Employee stock appreciation rights reserve is used to recognise the value of equity-settled share-based payments provided to employees. The said reserve shall be utilised for issue of equity shares of the Holding Company against the rights exercisable by the employees under the ESAR Plan 2018.

NOTE 17: BORROWINGS

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Short term borrowings		
Unsecured		
Short term loan from bank	-	300.00
Secured		
Short term loan from bank (Refer Note below)	1,014.18	-
	1,014.18	**300.00**

Note

The Secured short term loan from a bank carries a rate of interest of 6.03% and interest is to be serviced as and when charged. The loan is secured by lien on fixed deposit.

NOTE 18: OTHER NON-CURRENT FINANCIAL LIABILITIES

(At fair value through profit and loss)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred contingent consideration (Refer Note 44)	3,557.99	6,858.00
	3,557.99	**6,858.00**

Notes to the consolidated financial statements

NOTE 19: PROVISIONS

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Non-current provisions		
Provision for employee benefits:		
Gratuity (Refer Note 35)	450.64	388.25
	450.64	**388.25**
Current provisions		
Provision for employee benefits:		
Gratuity (Refer Note 35)	40.83	34.53
Compensated absences	29.41	28.97
	70.24	**63.50**

NOTE 20: DEFERRED TAX ASSETS / LIABILITIES

(a) Tax expense recognised in the statement of profit and loss

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Current tax	408.70	906.50
Deferred tax	(717.19)	(355.19)
Re-measurement of deferred tax on account of New Tax Regime (Refer Note below)	-	(1,875.72)
Income tax expense reported in the statement of profit and loss	**(308.49)**	**(1,324.41)**

Note: In the previous year, pursuant to the Taxation Laws (Amendment) Act, 2019, the Group has remeasured the deferred tax liabilities and has recognised deferred tax income of ₹ 1,875.72 lakhs. In the current year, the Group has reassessed its deferred tax liability on the basis of the likely year of transition to the new tax regime and the current assessment of the amount of deferred tax liability expected to reverse subsequent to the expected transition year and has recognized a gain of ₹ 451.60 lakhs.

(b) Income tax related to items recognised in OCI during in the year:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Net gain/(loss) on remeasurements of defined benefit plan	6.27	(8.66)
Income tax expense recognised in OCI	**6.27**	**(8.66)**

(c) Reconciliation of income tax expense and the accounting profit:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Profit/(loss) before tax	1,107.10	3,367.55
Income tax expense calculated at 34.944% (31 March 2020: 34.944%) being the statutory enacted rate	386.87	1,176.76
Effect of:		
Income not taxable during the tax holiday period	(516.57)	(742.47)
Reversal of deferred tax during the tax holiday period	110.44	112.45
Expenses that is non-deductible in determining taxable profit	66.68	65.17
Remeasurement of deferred tax on account of New Tax Regime	-	(1,875.72)

Notes to the consolidated financial statements

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Profit taxable / deferred tax liability reversal at lower tax rate	87.67	(57.36)
Defered tax balances measured at lower rate on account of New Tax Regime (Refer Note above)	(451.60)	-
Tax on other items	8.02	(3.24)
Income tax expense recognised in statement of profit and loss	**(308.49)**	**(1,324.41)**

(d) The movement in deferred tax assets and liabilities during the year ended 31 March 2021 and 31 March 2020:

	As at 1 April 2020 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2021 ₹ lakhs
Deferred tax assets in relation to:				
(i) Allowances for doubtful receivables and advances	(359.69)	(66.54)	-	(426.23)
(ii) Provision for employee benefits	(201.93)	(25.14)	6.27	(220.81)
(iii) Carry forward of unabsorbed depreciation	(7.32)	(1.73)	-	(9.05)
(iv) Carry forward of business loss	(3.49)	(2.38)	-	(5.87)
(v) Lease liabilities	(2,457.62)	811.80	-	(1,645.82)
(vi) Other items giving rise to temporary differences	(125.14)	20.49	-	(104.65)
	(3,155.19)	**736.50**	**6.27**	**(2,412.43)**
Deferred tax liabilities in relation to:				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets	6,243.93	(446.55)	-	5,797.36
(ii) Right of use assets	2,345.29	(841.16)	-	1,504.13
	8,589.22	**(1,287.71)**	**-**	**7,301.49**
Deferred Tax liability / (asset)	**5,434.03**	**(551.21)**	**6.27**	**4,889.06**
(i) MAT Credit entitlement	(1,437.49)	(165.98)	-	(1,603.47)
Net Deferred Tax liability / (asset)	**3,996.54**	**(717.19)**	**6.27**	**3,285.59**

	As at 1 April 2019 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred tax assets in relation to:				
(i) Allowances for doubtful receivables and advances	(275.39)	(84.30)	-	(359.69)
(ii) Provision for employee benefits	(135.37)	(57.89)	(8.66)	(201.93)
(iii) Carry forward of unabsorbed depreciation	(604.42)	597.10	-	(7.32)
(iv) Carry forward of business loss	(102.19)	98.70	-	(3.49)
(v) Lease liabilities	-	(2,457.62)	-	(2,457.62)
(vi) Other items giving rise to temporary differences	(128.56)	3.42	-	(125.14)
	(1,245.93)	**(1,900.59)**	**(8.66)**	**(3,155.19)**

Notes to the consolidated financial statements

	As at 1 April 2019 ₹ lakhs	Recognised in profit and Loss ₹ lakhs	Recognised in Other Comprehensive Income ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred tax liabilites in relation to:				
(i) Difference between book base and tax base related to the property, plant and equipments and intangible assets	8,460.59	(2,216.66)	-	6,243.93
(ii) Right of use assets	-	2,345.29	-	2,345.29
	8,460.59	**128.63**	**-**	**8,589.22**
Deferred Tax liability / (asset)	**7,214.66**	**(1,771.96)**	**(8.66)**	**5,434.03**
(i) MAT Credit entitlement	(978.54)	(458.95)	-	(1,437.49)
Net Deferred Tax liability / (asset)	**6,236.12**	**(2,230.91)**	**(8.66)**	**3,996.54**

The rate used for calculation of Deferred tax is 34.944% and 25.17% for deferred tax expected to be reversed in the New Tax Regime, being statutory enacted rates at Balance Sheet date.

Disclosure in the balance sheet:

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred tax assets	(4,015.90)	(4,592.68)
Deferred tax liabilities	7,301.49	8,589.22
Deferred tax liabilities / (assets) (net)	**3,285.59**	**3,996.54**
Out of above		
Deferred tax assets	(21.51)	(22.00)
Deferred tax liabilities	3,307.11	4,018.54
Deferred tax liabilities / (assets) (net)	**3,285.59**	**3,996.54**

NOTE 21: OTHER NON-CURRENT LIABILITIES

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Deferred government grant	2,027.88	2,302.97
	2,027.88	**2,302.97**
At 1 April	**2,580.22**	**712.18**
Received during the year	-	2,145.29
Recognised in the statement of profit and loss (Refer Note 26)	(276.17)	(277.25)
At 31 March	**2,304.05**	**2,580.22**
The above amount is classified as:		
Non current	2,027.88	2,302.97
Current	276.17	277.25
	2,304.05	**2,580.22**

Notes to the consolidated financial statements

NOTE 22: TRADE PAYABLES

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Total outstanding dues of micro and small enterprises	376.88	-
Total outstanding dues of trade payables other than micro and small enterprises	8,885.29	8,746.67
	9,262.17	**8,746.67**

Note:

Trade payables are non interest bearing and are normally settled in 0 to 45 days terms.

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

(At amortised cost)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Creditors for capital goods	215.15	250.60
Security deposits	-	339.25
Dividend payable	0.29	0.18
	215.44	**590.03**

NOTE 24: OTHER CURRENT LIABILITIES

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Contract liabilities (Advance from customers)	638.50	356.71
Statutory dues	549.41	249.20
Deferred government grant (Refer Note 21)	276.17	277.25
	1,464.08	**883.16**

NOTE 25: CURRENT TAX LIABILITIES (NET)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Income tax provision [Net of advance tax: ₹ 5,705.99 lakhs (31 March 2020: 5,558.00 lakhs)]	186.56	100.12
	186.56	**100.12**

Notes to the consolidated financial statements

NOTE 26: REVENUE FROM OPERATIONS

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Sale of products			
(a)	Finished goods	1,15,964.43	1,37,595.99
(b)	Traded goods	183.77	1,050.24
		1,16,148.20	**1,38,646.23**
Other operating revenues			
(c)	Sale of starch	70.62	112.33
(d)	Scrap sales	181.99	211.83
(e)	Government grant (Refer Note 21 and Note 40)	389.25	404.35
(f)	Other operating income	318.82	4.68
		960.68	**733.19**
		1,17,108.88	**1,39,379.42**
Out of above			
Revenue from customers		1,16,719.63	1,38,970.39
Other revenue		389.25	409.03
		1,17,108.88	**1,39,379.42**

Note A: Reconciliation of revenue recognised with contract price

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Contract price	1,20,450.22	1,43,376.13
Adjustments for variable consideration:		
Discount and rebates	(3,730.59)	(4,405.74)
Revenue from contract with customers	**1,16,719.63**	**1,38,970.39**

Note B: Disaggregation of revenue

The Group has a single stream of revenue i.e. sale of products. However, the Group has operations spread across geographical area, viz. in India and outside India, details of which is as under:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
India	1,16,475.11	1,38,604.01
Outside India	244.52	366.38
	1,16,719.63	**1,38,970.39**

Notes to the consolidated financial statements

Note C: Contract balances

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
(i)	Contract assets	-	-
(ii)	Trade receivables (pertaining to contract with customers)	2,661.67	3,257.20
(iii)	Contract liabilities		
	Advance from customers	356.71	645.65
	Refund liabilities	-	36.71
	At the beginning of the year	**356.71**	**682.36**
	Add: Received during the year	638.50	356.71
	Less: Recognised as revenue during the year	(356.71)	(682.36)
	At the end of the year	**638.50**	**356.71**
	Out of above		
	Advance from customers	638.50	356.71
	Refund liabilities	-	-
		638.50	**356.71**

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

NOTE 27: OTHER INCOME

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Interest income on:		
Bank deposits	423.50	507.19
Unwinding of financial assets	195.58	245.83
Others	101.66	167.07
Miscellaneous income (Refer Note below)	163.41	0.24
	884.15	**920.33**

Note: Miscellaneous income includes an amount of ₹ 163.40 lakhs on extinguishment of lease liability (net of the right of use assets) on termination of lease agreement and purchase of assets by the Group.

NOTE 28: COST OF MATERIALS CONSUMED

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Inventory at the beginning of the year	11,027.73	9,446.35
Add: Purchases	84,550.34	1,00,060.09
	95,578.07	1,09,506.44
Less: Sale of inventory	(307.91)	(168.79)
Less: Inventory at the end of the year	(10,706.48)	(11,027.73)
Cost of materials consumed	**84,563.68**	**98,309.92**

Notes to the consolidated financial statements

NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Opening stock:		
Finished goods	1,462.71	1,788.15
Traded Goods	4.95	11.52
	1,467.66	**1,799.67**
Less: Closing stock:		
Finished goods	1,765.47	1,462.71
Traded Goods	7.42	4.95
	1,772.89	**1,467.66**
(Increase) / Decrease in inventories	**(305.23)**	**332.01**

NOTE 30: EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Salaries, wages and bonus	4,370.69	4,846.15
Employee stock appreciation rights expense (Refer Note 41)	313.37	271.59
Contribution to provident and other funds (Refer Note 40)	270.64	285.39
Gratuity expense (Refer Note 35)	99.89	94.14
Staff welfare expenses	276.22	272.29
	5,330.81	**5,769.56**

NOTE 31: FINANCE COSTS

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Interest expense on:		
Borrowings	18.60	46.39
Lease liabilities (Refer Note 36)	569.23	692.46
Others	12.34	3.38
Other finance costs	27.01	4.20
	627.18	**746.43**

Notes to the consolidated financial statements

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Depreciation on property, plant and equipments (Refer Note 3)	4,421.01	5,141.40
Amortisation of intangible assets (Refer Note 4)	1,035.53	1,032.72
	5,456.54	**6,174.12**

NOTE 33: OTHER EXPENSES

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Consumption of stores, spares and other consumables	1,406.84	1,687.44
Security charges	250.93	287.12
Housekeeping charges	176.22	142.84
Power and fuel	2,322.13	2,739.36
Contract labour expenses (Refer Note 40)	3,155.54	3,695.43
Freight and forwarding charges	8,073.42	9,847.26
Rent / lease rent (Refer Note 36)	115.45	116.13
Rates and taxes	28.01	47.10
Insurance charges	116.30	67.62
Job work charges	2,305.05	2,072.27
Repairs and maintenance		
- Plant and machinery	578.49	454.46
- Buildings	105.90	135.47
- Others	184.40	203.72
Advertisement and sales promotion	750.55	1,501.11
Bad debts / sundry debit balances written off	118.88	-
Allowance for doubtful receivables and advances	187.21	234.93
Travelling and conveyance	295.96	482.74
Printing and stationery	32.57	39.15
Legal and professional fees	307.35	472.91
Payment to auditor	67.90	65.06
Loss on sale / discard of property, plant and equipments	5.73	48.90
Corporate social responsibility expenditure	123.18	123.03
Independent directors sitting fees and commission	63.28	55.30
Miscellaneous expenses	391.00	251.84
	21,162.29	**24,771.19**

NOTE 34: EARNINGS PER SHARE ('EPS')

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

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

Notes to the consolidated financial statements

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

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
(a)	Profit attributable to equity holders of the parent	1,415.59	4,691.96
(b)	Weighted average number of equity shares outstanding for computing basic EPS	234.53	234.53
(c)	Effect of potential equity shares on Employee Stock Appreciation Rights ('ESAR')*	-	-
(d)	Weighted average number of equity shares outstanding for computing diluted EPS [(b) + (c)]	**234.53**	**234.53**
EPS (in ₹)			
Basic (Face value of ₹ 5 each)		6.04	20.01
Diluted (Face value of ₹ 5 each)		6.04	20.01

** ESAR are anti-dilutive in nature and accordingly, the same has not been considered for the purpose of calculation of Diluted EPS.*

NOTE 35: EMPLOYEE BENEFITS

(a) Defined contribution plans

a. Provident Fund

The Group makes provident fund contributions to defined contribution plan for eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs. The Group has no obligation, other than the contribution payable to the fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Included in contribution to provident and other funds under Employees benefit expenses		
Provident fund	220.46	230.00

(b) Defined benefit plans

Gratuity - Non-funded

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is unfunded.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Current	40.83	34.53
Non-current	450.64	388.25
	491.47	**422.78**

Notes to the consolidated financial statements

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for gratuity:

			Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
I	(a)	**Expense recognised in the statement of profit and loss**		
		Current service cost	72.40	71.68
		Interest cost on benefit obligation	27.49	22.46
		Components of defined benefit costs recognised in statement of profit and loss (Refer Note 30)	**99.89**	**94.14**
	(b)	**Included in other comprehensive income**		
		Actuarial gain / (loss) for the year on defined benefit obligation	23.73	(25.50)
		Actuarial (gain) / loss recognised in other comprehensive income	**23.73**	**(25.50)**
II	**Change in present value of defined benefit obligation during the year**			
	1.	Present value of defined benefit obligation at the beginning of the year	422.78	308.86
	2.	Interest cost	27.49	22.46
	3.	Current service cost	72.40	71.68
	4.	Benefits paid	(7.46)	(5.72)
	5.	Actuarial gain / (loss) on obligation	23.74	(25.50)
	6.	Present value of defined benefit obligation at the end of the year	**491.47**	**422.78**

Details of asset-liability matching strategy

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Group to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy deviced for the plan.

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

	As at 31 March 2021	As at 31 March 2020
Discount rate (%)	6.35%	6.80%
Future salary increases:	7.00%	7.00%
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

A quantitative sensitivity analysis for significant assumption is as shown below:

	Discount rate	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Impact on defined benefit obligation		
Impact of 0.50% increase in rate	(20.22)	(17.28)
Impact of 0.50% decrease in rate	21.81	18.64

Notes to the consolidated financial statements

	Future salary increases	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Impact on defined benefit obligation		
Impact of 0.50% increase in rate	18.50	15.63
Impact of 0.50% decrease in rate	(17.88)	(14.88)

	Withdrawal rate	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Impact on defined benefit obligation		
Impact of 10% increase in rate	(2.72)	(1.83)
Impact of 10% decrease in rate	2.85	1.84

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

The following payments are expected in future years:

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Within the next 12 months (next annual reporting period)	40.83	34.53
Between 2 and 5 years	164.85	146.95
Beyond 5 years	236.45	214.71

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.60 years (31 March 2020: 9.71 years)

NOTE 36: LEASES

i) Group as a lessee

The Group has lease contracts for land, building and manufacturing facilities with lease term ranging between 2 to 9 years. There are certain lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group also has certain leases of office premises and warehouses with lease term of 12 months or less and those of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions as available in Ind AS 116 'Leases' for these leases.

a) Amounts recognised in profit and loss

The following amounts are recognised in the statement of profit or loss

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Depreciation of Right-of-use assets	1,480.98	1,527.21
Interest on lease liabilities	569.23	692.46
Expenses related to short term leases and leases of low - value assets	115.45	116.13
	2,165.66	**2,335.80**

Notes to the consolidated financial statements

b) The carrying amounts of lease liabilities and the movements during the year:

	31 March 2021 ₹ lakhs	31 March 2020 ₹ lakhs
As at 1 April	**7,033.01**	**6,527.92**
Addition during the year	1,447.16	2,360.64
Derecognised during the year	(2,531.00)	(738.77)
Accretion of interest	569.23	692.46
Payments	(1,807.99)	(1,809.24)
As at 31 March	**4,710.41**	**7,033.01**
The above amount is classified as:		
Non-current	3,407.53	5,812.94
Current	1,302.88	1,220.07
	4,710.41	**7,033.01**

Refer Note 3(b) for additions to Right-Of-Use Assets and the carrying amount of Right-Of-Use Assets as at the year end. Further, Refer Note 45 for maturity analysis of lease liabilities.

C) Amount as per the Statement of Cash Flows:

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Repayment of lease liabilities	1,396.94	1,116.78
Interest paid on lease liabilities	405.83	692.46
Total Cash outflow for leases	**1,802.77**	**1,809.24**

NOTE 37: COMMITMENTS AND CONTINGENCIES

I. Capital commitments

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	513.03	852.43

II. Other commitments

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Preservation charges payable to cold storage owners	302.72	281.63

Notes to the consolidated financial statements

III. Contingent liabilities (to the extent not provided for)

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Claims against the Group not acknowledged as debts		
Disputed income tax liability (excluding interest and penalty)*	570.50	276.05
Provident fund**	Amount not determinable	Amount not determinable
	570.50	**276.05**

Notes:

*The Group has received an Income tax demand order disallowing the deduction claimed by the Group u/s 80 IB of the Income tax Act, 1961. The Group has filed an appeal against the said orders before Commissioner of Income tax Appeals (CIT (A)) which is pending for disposal as at year end.

**There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28 February 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its consolidated financial statement, the Group has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1 March 2019 i.e., immediate after pronouncement of the judgement. The Group will evaluate its position, in case there is any other interpretation issued in future either in form of Social Security Code 2020, or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.

The Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are notified.

The Group, in respect of the above mentioned contingent liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

NOTE 38: RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship	
Related parties with whom transactions have taken place during the current year or previous year:	
Enterprise having significant influence	SCI Growth Investment II
Key management personnel ("KMP")	Mr. Arvind Mehta, Chairman and Executive Director
	Mr. Amit Kumat, Managing Director and Chief Executive Officer
	Mr. Apoorva Kumat, Executive Director - Operations
	Mrs. Anisha Motwani, Independent Director
	Dr. Om Prakash Manchanda, Independent Director (till 4 July 2019)
	Mr. Vineet Kumar Kapila, Independent Director
	Mr. Haresh Ram Chawla, Independent Director
	Mr. Chetan Kumar Mathur, Independent Director
	Mr. Bharadwaj Thiruvenkata Venkatavaraghavan, Independent Director (w.e.f. 1 July 2019)
	Mr. Bharadwaj Thiruvenkata Venkatavaraghavan, Non Executive Director (till 30 June 2019)
Relatives of key management personnel	Mr. Rajesh Mehta, Brother of Mr. Arvind Mehta
	Mr. Naveen Mehta, Brother of Mr. Arvind Mehta
	Mr. Arun Mehta, Brother of Mr. Arvind Mehta
	Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta
	Mrs. Rita Mehta, Wife of Mr. Arun Mehta
	Mrs. Premlata Kumat, Mother of Mr. Amit Kumat
	Mrs. Swati Bapna, Sister of Mr. Amit Kumat
	Mrs. Rakhee Kumat, Wife of Mr. Amit Kumat
	Mrs. Sandhya Kumat, Wife of Mr. Apoorva Kumat
	Mr. Satvik Kumat, Son of Mr. Apoorva Kumat
Company in which relatives of KMP have control	Vyapaar Vistar Tech Private Limited

Notes to the consolidated financial statements

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
a.	**Remuneration - short term employee benefits**		
	Key managerial personnel*	202.50	225.00
	Independent directors sitting fees and commission (including reimbursement of expenses)**	63.28	55.30
	Relatives of key management personnel*	-	3.70
		265.78	**284.00**

* *Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.*

** *Includes provision for commission payable to Independent Directors amounting to ₹ 25 lakhs (31 March 2020: ₹ 25 lakhs)*

		Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
b.	**Dividend**		
	Enterprise having significant influence	83.93	83.93
	Key managerial personnel	16.96	16.84
	Relatives of key management personnel	37.19	37.19
		138.08	**137.96**
c.	**Services received**		
	Company in which relatives of KMP have control	17.00	-
		17.00	**-**
d.	**Guarantee cancelled**		
	Key managerial personnel	300.00	-
		300.00	**-**

		As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
d.	**Closing balances**		
	Trade payable		
	Company in which relatives of KMP have control	5.77	-
		5.77	**-**
	Guarantee given to banks for loans taken by the Holding Company*		
	Key managerial personnel	-	300.00
** To the extent borrowings outstanding*		**-**	**300.00**

Terms and conditions of transactions with related parties

The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enters into transactions in the ordinary course of business.

Notes to the consolidated financial statements

NOTE 39: SEGMENT INFORMATION

For management purpose, the Group comprise of only one reportable segment – Snacks food. The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

A] Information about products and services

	Year ended 31 March 2021 ₹ lakhs	Year ended 31 March 2020 ₹ lakhs
Revenue from sale of goods to external customers		
Finished goods	1,15,964.43	1,37,595.99
Traded goods	183.77	1,050.24
	1,16,148.20	**1,38,646.23**

B] Information about geographical areas

	Sale of goods ₹ lakhs	Non current operating assets ₹ lakhs
Year ended 31 March 2021		
India	1,15,903.68	57,887.57
Outside India	244.52	-
Total	**1,16,148.20**	**57,887.57**
Year ended 31 March 2020		
India	1,38,279.85	60,747.47
Outside India	366.38	-
Total	**1,38,646.23**	**60,747.47**

C] Notes

1. Segment revenue in the geographical segments considered for disclosure are as follows:
   a) Revenue within India includes sales to customers located within India.
   b) Revenue outside India includes sales to customers located outside India.

2. The Group does not have any customer, with whom revenue from transactions is more than 10% of Group's total revenue.

3. Non current operating assets consist of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development.

NOTE 40: GOVERNMENT GRANTS

(a) Government grant consists of GST incentive amounting to ₹ 80.61 lakhs (31 March 2020: ₹ 53.13 lakhs), freight subsidy amounting to ₹ 31.73 lakhs (31 March 2020: ₹ 45.21 lakhs) and capital subsidy amounting to Nil (31 March 2020: 19.94). There are no unfulfilled conditions or contingencies attached to these grants.

(b) The Group is eligible for government grant under 'Pradhan Mantri Rojgar Protsahan Yojana' ('PMRPY') to the extent of 8.33% of the employer's contribution to the Employee's Pension Scheme on satisfaction of the terms attached to the grant. The said grant income is recognised by the Group by deducting the grant amount from the related expense. Accordingly, the contract labour expense (Refer Note 33) is lower by ₹ 10.42 lakhs (31 March 2020: ₹ 30.59 lakhs) and employee benefits expense (Refer Note 30) is lower by ₹ 8.66 lakhs (31 March 2020: ₹ 14.44 lakhs).

Notes to the consolidated financial statements

NOTE 41: EMPLOYEE STOCK PURCHASE PLAN

The Nomination and Remuneration Committee of the Board of Directors of the Holding Company at its meeting held on 9 August 2019 have granted 3,47,000 Stock Appreciation Rights (‘SAR’) to eligible employees of the Group under Prataap Employees Stock Appreciation Rights Plan 2018 (‘ESAR’). The said grant was approved by the shareholders in their Annual General Meeting held on 28 September 2018. The rights entitle the employees, equity shares of the Holding Company on satisfaction of service conditions attached to the grant and consequent exercise of the rights by the employees. The SAR's shall be vested in four equal installments every year commencing from the end of one year from the grant date. The number of equity shares to be issued shall be determined based on the difference between the base price as per the scheme and the share price on the date of exercise.

The fair value of the ESAR's was determined using the Black Scholes model using the following inputs at the grant date

	Vesting Date			
	09 August 2020	**09 August 2021**	**09 August 2022**	**09 August 2023**
Weighted average fair value at measurement date (₹ per share)	778.45	778.45	778.45	778.45
Expected Life (In years)	2.51	3.51	4.51	5.51
Expected volatility (%)	30.25%	30.25%	30.25%	30.25%
Risk-free interest rate (%)	5.79%	5.95%	6.10%	6.23%
Exercise Price (₹ per share)	775.00	775.00	775.00	775.00
Dividend yield (%)	0.13%	0.13%	0.13%	0.13%

The expected life of the ESAR's is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The movement in the SAR is as follows

	No. of Options in lakhs	
	31 March 2021	**31 March 2020**
Outstanding at the beginning of the year	**3.47**	**-**
Granted during the year	-	3.47
Outstanding at the end of the year	**3.47**	**3.47**

The weighted average remaining contractual life for the ESAR outstanding is 3.86 years (as at 31 March 2020 :4.86 years).

Amount recognised in the consolidated financial statement related to employee stock appreciation rights

	31 March 2021 ₹ lakhs	**31 March 2020 ₹ lakhs**
Employee stock appreciation rights expense - included in Employee benefits expense (Refer Note 30)	313.37	271.59
Carrying amount of Employee stock appreciation rights reserve - included in Other Equity (Refer Note 16)	584.96	271.59

Notes to the consolidated financial statements

NOTE 42: INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF THE ACT

Name of the entity	% of share in Net Assets		% of share in Net sales		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs
Year ended 31 March 2021										
Holding Company										
Prataap Snacks Limited	98%	61,350.50	86%	1,01,037.57	147%	2,086.08	12%	2.04	146%	2,088.12
Subsidiary Company										
Avadh Snacks Food Private Limited*	6%	3,781.84	15%	17,018.91	7%	105.19	88%	15.42	8%	120.61
Employee Welfare Trust										
Prataap Snacks Employees Welfare Trust	0%	19.94	0%	-	(1%)	(8.41)	0%	-	(1%)	(8.41)
	105%	**65,152.27**	**101%**	**1,18,056.48**	**155%**	**2,182.86**	**100%**	**17.46**	**155%**	**2,200.32**
Adjustments arising on consolidation	(5%)	(2,840.68)	(1%)	(947.60)	(55%)	(767.27)	0%	-	(55%)	(767.27)
Total	**100%**	**62,311.59**	**100%**	**1,17,108.88**	**100%**	**1,415.59**	**100%**	**17.46**	**100%**	**1,433.05**

Name of the entity	% of share in Net Assets		% of share in Net sales		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs
Year ended 31 March 2020										
Holding Company										
Prataap Snacks Limited	97%	59,183.55	88%	1,22,599.80	66%	3,086.91	89%	(14.92)	66%	3,071.99
Subsidiary Company										
Avadh Snacks Food Private Limited*	6%	3,661.48	13%	17,499.68	9%	438.78	11%	(1.92)	9%	436.86
Employee Welfare Trust										
Prataap Snacks Employees Welfare Trust	0%	28.35	0%	-	0%	9.28	0%	-	0%	9.28
	103%	**62,873.39**	**101%**	**1,40,099.48**	**74%**	**3,534.97**	**100%**	**(16.84)**	**74%**	**3,518.13**
Adjustments arising on consolidation	(3%)	(2,073.69)	(1%)	(720.06)	26%	1,156.99	0%	-	26%	1,156.99
Total	**100%**	**60,799.69**	**100%**	**1,39,379.42**	**100%**	**4,691.96**	**100%**	**(16.84)**	**100%**	**4,675.12**

** Accounts of Red Rotopack Private Limited has been consolidated with Avadh Snacks Food Private Limited*

Notes to the consolidated financial statements

NOTE 43: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value		Fair value	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Non-current financial assets				
Loans	1,829.74	1,747.85	1,829.74	1,747.85
Other financial assets	4,551.69	4,763.83	4,595.63	4,800.25
Current financial assets				
Trade receivables	2,661.67	3,257.20	2,661.67	3,257.20
Cash and bank balances	3,040.17	5,381.32	3,040.17	5,381.32
Loans	112.40	123.32	112.40	123.32
Other financial assets	3,422.36	491.98	3,422.36	491.98
	15,618.03	**15,765.50**	**15,661.97**	**15,801.92**

	Carrying value		Fair value	
	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Non-current financial liabilities				
Other financial liabilities	3,557.99	6,858.00	3,557.99	6,858.00
Current financial liabilities				
Borrowings	1,014.18	300.00	1,014.18	300.00
Trade payables	9,262.17	8,746.67	9,262.17	8,746.67
Other financial liabilities	215.44	590.03	215.44	590.03
	14,049.78	**16,494.70**	**14,049.78**	**16,494.70**

The management assessed that fair value of trade receivables, other current financial assets, current loans, cash and bank balances, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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

2. The fair value of bank borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value. Refer Note 44 for the fair value of other non current financial liabilities.

Notes to the consolidated financial statements

NOTE 44: FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

	Fair value measurement using		
	Quoted prices in active markets ₹ lakhs	Significant observable inputs ₹ lakhs	Significant unobservable inputs ₹ lakhs
Assets and liabilities for which fair values are disclosed			
Non-current financial assets			
Loans	-	1,829.74	-
Other financial assets	-	4,595.63	-
Current financial assets			
Trade receivables	-	2,661.67	-
Cash and bank balances	-	3,040.17	-
Loans	-	112.40	-
Other financial assets	-	3,422.36	-
Non-current financial liabilities			
Other financial liabilities	-	-	3,557.99
Current financial liabilities			
Borrowings	-	1,014.18	-
Trade payables	-	9,262.17	-
Other financial liabilities	-	215.44	-

Fair value measurements using significant unobservable inputs (Level 3)

The following tables summarises the valuation techinques used and the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

	Fair value As at 31 March 2021 ₹ lakhs	Significant unobservable inputs	Sensitivity
Deferred contingent consideration*	3,557.99	Discount rate	A change of 100 basis points would increase / decrease the fair value by ₹ 48 lakhs
		Expected profitability	A change of 100 basis points would increase / decrease the fair value by ₹ 28 lakhs

** The fair valuation of the deferred contingent consideration is done basis management estimate of the maximum earn out value that will be payable for written put option to purchase balance 9.52% stake in Avadh Snacks Private Limited, discounted to present value using pre tax rate of 8.50%.*

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	₹ lakhs
Opening balance as at 1 April 2020	6,858.00
Purchase of 10.48% stake in Avadh Snacks Private Limited	(3,300.01)
Change in the fair value during the year	-
Closing balance as at 31 March 2021	**3,557.99**

Notes to the consolidated financial statements

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

	Fair value measurement using		
	Quoted prices in active markets ₹ lakhs	Significant observable inputs ₹ lakhs	Significant unobservable inputs ₹ lakhs
Assets and liabilities for which fair values are disclosed			
Non-current financial assets			
Loans	-	1,747.85	-
Other financial assets	-	4,800.25	-
Current financial assets			
Trade receivables	-	3,257.20	-
Cash and bank balances	-	5,381.32	-
Loans	-	123.32	-
Other financial assets	-	491.98	-
Non-current financial liabilities			
Other financial liabilities	-	-	6,858.00
Current financial liabilities			
Borrowings	-	300.00	-
Trade payables	-	8,746.67	-
Other financial liabilities	-	590.03	-

Fair value measurements using significant unobservable inputs (Level 3)

The following tables summarises the valuation techinques used and the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

	Fair value As at 31 March 2020 ₹ lakhs	Significant unobservable inputs	Sensitivity
Deferred contingent consideration*	6,858.00	Discount rate	A change of 100 basis points would increase / decrease the fair value by ₹ 179 lakhs
		Expected profitability	A change of 100 basis points would increase / decrease the fair value by ₹ 66 lakhs

** The fair valuation of the deferred contingent consideration is done basis management estimate of the maximum earn out value that will be payable for written put option to purchase balance 20% stake in Avadh Snacks Private Limited, discounted to present value using pre tax rate of 8.50%*

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	₹ lakhs
Opening balance as at 1 April 2019	6,858.00
Change in the fair value during the period	-
Closing balance as at 31 March 2020	**6,858.00**

Notes to the consolidated financial statements

NOTE 45: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include deposits, trade and other receivables, and cash and bank balances that derive directly from its operations.

The Group is exposed to market risks, credit risks and liquidity risks. The Group's senior management oversees the management of these risks. The Group's senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Group is not significantly exposed to other price risk whereas the exposure to currency risk and interest risk is given below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings.

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for term loans that have floating rate at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If the interest rates had been 100 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Group's profit in that financial year would have been as below:

	Year ended 31 March 2021		Year ended 31 March 2020	
	100 bps increase ₹ lakhs	100 bps decrease ₹ lakhs	100 bps increase ₹ lakhs	100 bps decrease ₹ lakhs
Interest expenses on loan	1.03	(1.03)	-	-
Effect on profit before tax and equity	(1.03)	1.03	-	-

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's receivables due to transactions entered in foreign currencies.

Foreign exchange exposures outstanding at the year end

	Currency	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Export receivables	USD	0.26	0.48

Foreign exchange exposures outstanding at the year end in ₹

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Export receivables	18.93	35.66
Net exposure (₹)	**18.93**	**35.66**

Notes to the consolidated financial statements

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Group's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities.

	Increase / decrease in USD to ₹ %	Effect on profit before tax and equity	
		As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Export receivables	2%	0.38	0.71
	(2%)	(0.38)	(0.71)

Based on the above, the foreign exchange exposure of the Group is considered to be minimal.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Trade receivables	2,661.67	3,257.20
Loans	1,942.14	1,871.17
Other financial assets	7,974.05	5,255.81
	12,577.86	**10,384.18**

Refer Note a below for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Group believes exposure to credit risk to be minimal.

a. Trade receivables

Customer credit is managed by the Group's through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date, the further shipments are controlled and can only be released if there is a proper justification.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	₹ lakhs	
	Upto 180 Days	More than 180 Days
As at 31 March 2021		
Expected loss rate	0.00%	100.00%
Gross carrying amount	2,661.67	474.63
Loss allowance provision	**-**	**474.63**
As at 31 March 2020		
Expected loss rate	0.00%	100.00%
Gross carrying amount	3,257.20	544.89
Loss allowance provision	**-**	**544.89**

Notes to the consolidated financial statements

Reconciliation of loss allowance provision for trade receivables

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Balance as at beginning of the year	544.88	274.33
On receivables originated in the year	99.31	278.92
Amounts recovered during the year	(50.69)	(8.36)
Amounts written off during the year	(118.88)	-
Balance at end of the year	**474.63**	**544.89**

Liquidity Risk

(i) Liquidity risk management

The Group's principle sources of liquidity are cash and bank balances, fixed deposits and the cash flow that is generated from operations.The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, liquidity risk is considered as low. The Group closely monitors its liquidity position and also maintains adequate source of funding.

(ii) Maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay

	Less than 1 Year ₹ lakhs	1 - 5 Years ₹ lakhs	More than 5 years ₹ lakhs	Total ₹ lakhs
As at 31 March 2021				
Non-Current liabilities:				
(i) Lease liabilities	-	3,794.01	113.86	3,907.87
(ii) Other financial liabilities	-	4,004.00	-	4,004.00
Current liabilities:				
(i) Borrowings	1,014.18	-	-	1,014.18
(ii) Lease liabilities	1,674.91	-	-	1,674.91
(iii) Trade payables	9,262.17	-	-	9,262.17
(iv) Other financial liabilities	215.44	-	-	215.44
	12,166.70	**7,798.01**	**113.86**	**20,078.56**

Notes to the consolidated financial statements

		Less than 1 Year ₹ lakhs	1 - 5 Years ₹ lakhs	More than 5 years ₹ lakhs	Total ₹ lakhs
As at 31 March 2020					
Non-Current liabilities:					
(i)	Lease liabilities	-	7,560.05	727.25	8,287.29
(ii)	Other financial liabilities	-	8,769.00	-	8,769.00
Current liabilities:					
(i)	Borrowings	300.00	-	-	300.00
(ii)	Lease liabilities	2,407.04	-	-	2,407.04
(iii)	Trade payables	8,746.67	-	-	8,746.67
(iv)	Other financial liabilities	590.03	-	-	590.03
		12,043.74	**16,329.05**	**727.25**	**29,100.04**

Changes in liabilities arising from financing activities:

	As at 01 April 2020 ₹ lakhs	Net Cash Inflow ₹ lakhs	Net Cash Outflow ₹ lakhs	As at 31 March 2021 ₹ lakhs
Short-term interest bearing borrowings	300.00	1,000.00	(285.82)	1,014.18
	300.00	**1,000.00**	**(285.82)**	**1,014.18**

	As at 01 April 2019 ₹ lakhs	Net Cash Inflow ₹ lakhs	Net Cash Outflow ₹ lakhs	As at 31 March 2020 ₹ lakhs
Short-term interest bearing borrowings	1,786.59	300.00	(1,786.59)	300.00
	1,786.59	**300.00**	**(1,786.59)**	**300.00**

NOTE 46: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholders' value. The Group's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Group is monitoring capital using debt equity ratio as its base, which is debt to equity. The Group's policy is to keep healthy debt equity ratio ensuring minimum debt. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	As at 31 March 2021 ₹ lakhs	As at 31 March 2020 ₹ lakhs
Debt* (A)	1,014.18	300.00
Equity (B)	62,311.59	60,799.69
Debt / Equity Ratio (A / B)	0.02	0.01

**Excluding lease liabilities*

Notes to the consolidated financial statements

NOTE 47: IMPACT OF COVID-19

On account of the spread of COVID-19 virus, the Government of India had imposed a complete nation-wide lockdown on 24 March 2020 leading to shut down of the Group's manufacturing facilities (including contract manufacturing facilities) and operations. During the year, the Group has resumed operations at all its manufacturing facilities and is currently in the process of scaling up its operations. As the products manufactured by the Group are covered under essential services, the impact has been less significant. Management believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. Management is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these consolidated financial statements.

NOTE 48: RECENT PRONOUNCEMENTS

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as Current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the consolidated financial statements

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm registration number: 324982E/E300003
Chartered Accountants

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place : Mumbai
Date : 28 May 2021

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

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place : Indore
Date : 28 May 2021

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

PART "A": SUBSIDIARIES

(₹ in lakhs)

Sr. No.	Particulars		
1.	Name of the subsidiary	**Avadh Snacks Private Limited**	**Red Rotopack Private Limited**
2.	Date of acquisition	01/10/2018	01/10/2018
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.
5.	Share capital (paid-up)	71.09	75.00
6.	Reserves & surplus	3643.59	66.87
7.	Total assets	4577.87	148.71
8.	Total liabilities	863.19	6.84
9.	Investments	200.00	0
10.	Turnover	17005.85	13.07
11.	Profit/(loss) before taxation	168.80	(26.14)
12.	Provision for taxation	42.92	(4.92)
13.	Profit/(loss) after taxation	125.88	(21.22)
14.	Proposed dividend	-	-
15.	% of shareholding (paid-up)	90.48%*	Nil (wholly owned subsidiary of Avadh Snacks Private Limited)

*Include 1,01,563 partly paid-up equity shares.

The economic interest of the Holding Company in Avadh Snacks Private Limited is 100% as on 31st March, 2021.

Names of the subsidiary which are yet to commence operations : NIL
Names of subsidiary which have been liquidated or sold during the year : NIL

PART "B": ASSOCIATES AND JOINT VENTURES

Not Applicable

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

Arvind Mehta
Chairman and
Executive Director
DIN: 00215183

Amit Kumat
Managing Director and
Chief Executive Officer
DIN: 02663687

Sumit Sharma
Chief Financial Officer

Om Prakash Pandey
Company Secretary

Place: Indore
Date: 28th May, 2021

Notice

12TH ANNUAL GENERAL MEETING

Prataap Snacks Limited
CIN: L15311MP2009PLC021746
Registered Office: Khasra No. 378/2, Nemawar Road, Near Makrand House,
Palda, Indore – 452020, Madhya Pradesh, India
Tel: (+91 731) 243 9999
E-mail: complianceofficer@yellowdiamond.in **Website:** www.yellowdiamond.in

NOTICE is hereby given that the Twelfth (12th) Annual General Meeting of the members of Prataap Snacks Limited will be held on Thursday, 5th August, 2021 at 03:30 P.M. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   (a) the audited Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditor thereon; and

   (b) the audited consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 and the Report of Auditor thereon.

2. To declare dividend on equity shares of the Company for the financial year ended 31st March, 2021.

3. To appoint a Director in place of Mr. Apoorva Kumat (DIN: 02630764), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

4. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment, modification or re-enactment thereof for the time being in force), B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), be and is hereby appointed as Auditor of the Company for a period of five (5) consecutive years, to hold office as such from the conclusion of this 12th Annual General Meeting till the conclusion of the 17th Annual General Meeting of the Company, at a remuneration of ₹ 39,00,000/- (Rupees Thirty nine lakhs only) per annum for statutory audit of financial statements for the year ending 31st March, 2022 plus applicable tax and reimbursement of out-of-pocket expenses incurred and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration for the subsequent financial years during their term as Auditor of the Company."

SPECIAL BUSINESS:

5. **Re-appointment of Mr. Chetan Kumar Mathur as an Independent Director of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule IV to the Act and Regulation 17(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment, modification or re-enactment thereof for the time being in force), Mr. Chetan Kumar Mathur (DIN: 00437558), who was appointed as an Independent Director of the Company and hold office as such upto 6th August, 2021 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years with effect from 7th August, 2021 to 6th August, 2026."

6. **Re-appointment of Mr. Arvind Mehta as Executive Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule V to the Act and Regulation 17(6)(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory amendment, modification or re-enactment thereof, for the time being in force), Mr. Arvind Mehta (DIN: 00215183) be and is hereby re-appointed as Executive Director of the Company for a period of five (5) years with effect from 23rd September, 2021 to 22nd September, 2026 on the following terms and conditions:

a) Salary: Gross Salary ₹ 75,00,000/- (Rupees Seventy five lakhs only) per annum but not exceeding ₹ 2,00,00,000/- (Rupees Two crore only) per annum.

b) Gratuity: As per statutory law and rules, as applicable, from time to time.

c) Perquisites: As per the policy of the Company, applicable from time to time.

d) Car facility: Company’s car with driver as per the policy of the Company, applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised and empowered to revise/increase the salary within the upper range as mentioned above, as considered appropriate, from time to time, subject to limit as prescribed under Section 197 read with Schedule V to the Act and that the annual remuneration to Mr. Arvind Mehta may exceed two-and-half (2.5) percent of the net profits of the Company as calculated under Section 198 of the Act and aggregate annual remuneration to the Executive Directors of the Company, who are promoters, including Mr. Arvind Mehta, may exceed five (5) percent of the net profits of the Company as calculated under Section 198 of the Act in any financial year during his tenure of re-appointment in terms of Regulation 17(6)(e) of the Listing Regulations.

RESOLVED FURTHER THAT the aggregate of remuneration in any financial year shall not exceed the limits as prescribed under Section 197 and other applicable provisions of the Act read with Schedule V to the Act, for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of re-appointment of Mr. Arvind Mehta, as Executive Director of the Company, the payment of remuneration to him shall be in accordance with the governing provisions of Schedule V read with Section 196, 197 and other applicable provisions of the Act, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof including Nomination and Remuneration Committee, be and is hereby authorised to do all such acts, deeds, matters and things as may be required or considered necessary, appropriate, expedient or desirable in regard to the re-appointment and payment of remuneration, as it may in its sole and absolute discretion deem fit to give effect to this resolution.”

7. **Re-appointment of Mr. Amit Kumat as Managing Director and Chief Executive Officer of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 2(54), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule V to the Act and Regulation 17(6)(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory amendment, modification or re-enactment thereof, for the time being in force), Mr. Amit Kumat (DIN: 02663687) be and is hereby re-appointed as Managing Director and Chief Executive Officer of the Company for a period of five (5) years with effect from 23rd September, 2021 to 22nd September, 2026 on the following terms and conditions:

a) Salary: Gross Salary ₹ 75,00,000/- (Rupees Seventy five lakhs only) per annum but not exceeding ₹ 2,00,00,000/- (Rupees Two crore only) per annum.

b) Gratuity: As per statutory law and rules, as applicable, from time to time.

c) Perquisites: As per the policy of the Company, applicable from time to time.

d) Car facility: Company’s car with driver as per the policy of the Company, applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised and empowered to revise/increase the salary within the upper range as mentioned above, as considered appropriate, from time to time, subject to limit as prescribed under Section 197 read with Schedule V to the Act and that the annual remuneration to Mr. Amit Kumat may exceed two-and-half (2.5) percent of the net profits of the Company as calculated under Section 198 of the Act and aggregate annual remuneration to the Executive Directors of the Company, who are promoters, including Mr. Amit Kumat, may exceed five (5) percent of the net profits of the Company as calculated under Section

198 of the Act in any financial year during his tenure of re-appointment in terms of Regulation 17(6)(e) of the Listing Regulations.

RESOLVED FURTHER THAT the aggregate of remuneration in any financial year shall not exceed the limits as prescribed under Section 197 and other applicable provisions of the Act read with Schedule V to the Act for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of re-appointment of Mr. Amit Kumat, as Managing Director and Chief Executive Officer of the Company, the payment of remuneration to him shall be in accordance with the governing provisions of Schedule V read with Section 196, 197 and other applicable provisions of the Act, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof including Nomination and Remuneration Committee, be and is hereby authorised to do all such acts, deeds, matters and things as may be required or considered necessary, appropriate, expedient or desirable in regard to the re-appointment and payment of remuneration, as it may in its sole and absolute discretion deem fit to give effect to this resolution."

8. **Re-appointment of Mr. Apoorva Kumat as Executive Director (Operations) of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule V to the Act and Regulation 17(6)(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory amendment, modification or re-enactment thereof, for the time being in force), Mr. Apoorva Kumat (DIN: 02630764) be and is hereby re-appointed as Executive Director (Operations) of the Company for a period of five (5) years with effect from 2nd November, 2021 to 1st November, 2026 on the following terms and conditions:

a) Salary: Gross Salary ₹ 75,00,000/- (Rupees Seventy five lakhs only) per annum but not exceeding ₹ 2,00,00,000/- (Rupees Two crore only) per annum.

b) Gratuity: As per statutory law and rules, as applicable, from time to time.

c) Perquisites: As per the policy of the Company, applicable from time to time.

d) Car facility: Company's car with driver as per the policy of the Company, applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised and empowered to revise/increase the salary within the upper range as mentioned above, as considered appropriate, from time to time, subject to limit as prescribed under Section 197 read with Schedule V to the Act and that the annual remuneration to Mr. Apoorva Kumat may exceed two-and-half (2.5) percent of the net profits of the Company as calculated under Section 198 of the Act and aggregate annual remuneration to the Executive Directors of the Company, who are promoters, including Mr. Apoorva Kumat, may exceed five (5) percent of the net profits of the Company as calculated under Section 198 of the Act in any financial year during his tenure of appointment in terms of Regulation 17(6)(e) of the Listing Regulations.

RESOLVED FURTHER THAT the aggregate of remuneration in any financial year shall not exceed the limits as prescribed under Section 197 and other applicable provisions of the Act read with Schedule V to the Act for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of re-appointment of Mr. Apoorva Kumat, as Executive Director (Operations) of the Company, the payment of remuneration to him shall be in accordance with the governing provisions of Schedule V read with Section 196, 197 and other applicable provisions of the Act, for the time being in force.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof including Nomination and Remuneration Committee, be and is hereby authorised to do all such acts, deeds, matters and things as may be required or considered necessary, appropriate, expedient or desirable in regard to the re-appointment and payment of remuneration, as it may in its sole and absolute discretion deem fit to give effect to this resolution."

By Order of the Board of Directors
For **Prataap Snacks Limited**

Om Prakash Pandey
Company Secretary and Compliance Officer

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

Place: Indore
Date: 28th May, 2021

NOTES FOR MEMBERS' ATTENTION

1. In view of ongoing continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its Circular no. 02/2021 dated 13th January, 2021 read with Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 20/2020 dated 5th May, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting of companies through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without physical presence of the members at a common venue.

2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 12th Annual General Meeting ("AGM"/ "Meeting") of the Company is being conducted through VC/ OAVM. In accordance with Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

3. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members is not available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Institutional/Corporate Shareholders are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is also not annexed hereto.

4. Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility to attend the AGM through VC/OAVM will be made available for 1000 Members on first-come-first-served basis. The large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are allowed to attend the AGM without restriction on account of first-come-first-served basis.

5. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 30th July, 2021 to Thursday, 5th August, 2021 (both days inclusive) for the purpose of AGM and determining the names of members eligible for dividend on equity shares, if declared at the Meeting.

7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM through VC/OAVM upon log-in to CDSL e-Voting system. All the above documents will also be available electronically for inspection upto the date of AGM. Members seeking to inspect such documents can send an email to complianceofficer@yellowdiamond.in.

8. If the dividend as recommended by the Board of Directors is declared at the Meeting, payment of such dividend will be made on or before 3rd September, 2021 as under:

   (i) To all the Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 29th July, 2021; and

   (ii) To all the Members in respect of shares held in physical form as per Register of Members as of the close of business hours on 29th July, 2021 after giving effect to valid transfers, transposition or transmission request, if any, lodged with the Company on or before 29th July, 2021.

9. As you may be aware, in terms of the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend paid or distributed by a company on or after 1st April, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend.

   For Resident Shareholders:

   - tax will be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during FY 2021-22 provided PAN is submitted by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act,

1961. However, no TDS shall be deducted on the dividend payable to a resident Individual if the total dividend to be received by him/her during FY 2021-22 does not exceed ₹ 5,000.

- Separately, in cases where the shareholder submits Form 15G Click here to download Form 15G (applicable to any person other than a company or firm)/Form 15H Click here to download Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no tax at source will be deducted.

For Resident Shareholders other than Individuals: No tax will be deducted at source provided sufficient documentary evidence thereof, to the satisfaction of the Company, is submitted. This illustratively includes providing the following:

- **Insurance Companies:** A declaration that they are beneficial owners of the shares held along with with self-attested copy of PAN.
- **Mutual Funds:** Self-declaration that they are specified and covered under Section 10(23D) of the Income Tax Act, 1961 along with a self-attested copy of PAN and registration certificate.
- **Alternative Investment Fund (AIF) established/ incorporated in India:** Self-declaration that its income is exempt under Section 10(23FBA) of the Income Tax Act, 1961 and they are established as Category I or Category II AIF under SEBI Regulations along with a self-attested copy of PAN and registration certificate.
- **Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income:** Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of Income Tax Act, 1961 along with a self-attested copy of PAN and registration certificate.
- **Other Resident Non Individual Shareholders:** Shareholders who are exempted from the provisions of TDS as per Section 194 of the Income Tax Act, 1961 and who are covered under Section 196 of the Income Tax Act, 1961 shall also not be subjected to any TDS, provided they submit an attested copy of PAN along with the documentary evidence in relation to the same.

For Non-resident Shareholders: Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax will be @ 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
- Self-declaration in Form 10F (Click here to download Form 10F) if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax authorities.
- Self-declaration in the attached format (Click here to download the self-declaration format), certifying the following points:
    i. Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2020-21;
    ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
    iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
    iv. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
    v. Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

Notwithstanding as mentioned above, tax will be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI). Such TDS rate will not be reduced on account of the application of favorable DTAA rate, if any.

TDS to be deducted at higher rate in case of non-filers of return of income: Section 206AB effective from 1st July, 2021 provides that where tax is required to be deducted at source on any sum or income or amount paid, or payable or credited, by a person to a specified person, the tax shall be deducted at the higher of the following rates, namely:

1. at twice the rate specified in the relevant provision of the Income Tax Act, 1961; or

2. at twice the rate or rates in force; or

3. at the rate of 5%

If the provisions of Section 206AA of the Income Tax Act, 1961 is applicable to a specified person, in addition to the provision of Section 206AB the Income Tax Act, 1961, the tax shall be deducted at higher of the two rates provided in Section 206AB and Section 206AA of the Income Tax Act, 1961.

The "specified person" means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of Section 139 of the Income Tax Act, 1961 has expired; and the aggregate of tax deducted at source and tax collected at source in his case is ₹ 50,000 or more in each of these two previous years.

The specified person shall not include a non-resident who does not have a permanent establishment in India.

All the above referred tax rates will be enhanced by the applicable surcharge and cess, wherever applicable.

To enable us to determine the appropriate TDS/withholding tax rate applicable, the aforementioned documents are required to be uploaded with the Registrar and Transfer Agent viz. KFin Technologies Private Limited (RTA) at https://ris.kfintech.com/form15 or email to einward.ris@kfintech.com on or before 27th July, 2021.

No communication on the tax determination/deduction shall be entertained after 27th July, 2021.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents on time, you would still have an option of claiming refund of the higher tax paid at the time of filing your income tax return. No claim shall lie against the Company for such tax deducted. We will arrange to email the soft copy of TDS Certificate, if any, to your registered email ID in due course, post payment of dividend.

10. Members holding shares in dematerialised form may please note that their bank account details as furnished by the respective depositories to the Company will be considered for payment/remittance of dividend. The Company or its Registrar and Share Transfer Agent will neither entertain nor act on any direct request from such members for change/deletion in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend to be paid on shares held in dematerialised form. Members may therefore, give instructions regarding bank account details in which they wish to receive dividend to the Depository Participants. Members holding shares in physical form are requested to inform any change in their address or bank mandates to the Company/Registrar and Share Transfer Agent. In the event the Company is unable to pay dividend to certain members directly in their bank account through Electronic Clearing Service (ECS) or any other means due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Dividend Warrant/Bankers Cheque/Demand Draft to such Members.

11. Members may note that as per amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed with effect from 1st April, 2019 unless the securities are held in dematerialised form with a Depository. Therefore, Members, who are holding shares in physical form are advised to dematerialise their holding for facilitating the transfer of shares.

12. Non-resident Indian Members are requested to inform Registrar and Share Transfer Agent, immediately of:

    (i) the change in the residential status on return to India for permanent settlement; and

    (ii) the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

13. Members who have so far not encashed their dividend warrants for the dividend for the year(s) ended 31st March, 2018, 31st March, 2019 and 31st March, 2020 are requested to write to the Company or its Registrar and Share Transfer Agent, viz. KFin Technologies Private Limited for issuance of demand draft/bankers cheque in lieu of unencashed/ unclaimed dividend warrant. The details of such unpaid and unclaimed dividends have been uploaded on the website of the Company at www.yellowdiamond.in.

14. In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only by e-mail to the Members whose email addresses are registered with the Company/Depositories. The Notice and Annual Report 2020-21 has been uploaded on the website of the Company at www.yellowdiamond.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The same is also available on the website of CDSL at www.evotingindia.com. Members, who wish to update or register their e-mail addresses, in case of Demat holding, may please contact your Depository Participant (DP) and register your e-mail address, as per the process advised by your DP and in case of physical holding, may send a request to KFin Technologies Private Limited, the Registrar and Transfer Agent of the Company at einward.ris@kfintech.com.

15. Members seeking any information or clarification regarding the financial statements or any matter to be placed at the AGM are requested to write to the Company, on or before Thursday, 29th July, 2021 through e-mail on complianceofficer@yellowdiamond.in.

16. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. The Company has connectivity from NSDL and CDSL and equity shares of the Company may be held in electronic form with any Depository Participant (DP) with whom the members/investors are having their demat account. The ISIN for the equity shares of the Company is INE393P01035. In case of any query/difficulty in any matter relating thereto may be addressed to the Registrar and Share Transfer Agent.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company or to the Registrar and Share Transfer Agent at einward.ris@kfintech.com.

18. Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings in respect of the Directors seeking re-appointment at the Annual General Meeting are furnished in Annexure-I, which is annexed to the Notice and forms part of the Notice. The Directors have furnished the requisite consent/declaration for their re-appointment.

19. KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Corporate Registry, Selenium Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032, Telangana, India is the Registrar and Share Transfer Agent for physical shares of the Company. KFin Technologies Private Limited is also the depository interface of the Company with both NSDL and CDSL. Members are requested to address all correspondences to the said Registrar and Share Transfer Agent or write email at their e-mail address at einward.ris@kfintech.com. The website of the Registrar and Share Transfer Agent is www.kfintech.com.

20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. In addition, the facility of voting through e-voting system shall also be made available during the AGM for Members of the Company participating in the AGM through VC/OAVM and who have not cast their vote by remote e-voting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a Member using remote e-voting as well as e-voting system on the date of the AGM in case of a Member participating in the AGM through VC/OAVM will be provided by CDSL.

21. **Instructions for remote e-voting, e-voting and joining the virtual Meeting are as follows:**

    THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING THE VIRTUAL MEETING ARE AS UNDER:

    1. The voting period begins on Sunday, 1st August, 2021 at 9:00 a.m. and ends on Wednesday, 4th August, 2021 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) i.e. 29th July, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

    3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

       Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

       In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

    4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to the aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is as under:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login Easi/Easiest, the user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in Demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned websites.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

5. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholder other than individual holding shares in Demat form:**

   (i) The shareholders should log on to the e-voting website www.evotingindia.com.

   (ii) Click on Shareholders/Members module

   (iii) Now enter your User ID

      a. For CDSL: 16 Digits Beneficiary ID

      b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID

      c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by the Company/RTA or contact RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id/ folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for PRATAAP SNACKS LIMITED on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) **Additional Facility for Non-Individual Shareholders and Custodians-For Remote Voting only:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued

in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer at csriteshgupta@gmail.com and to the Company at complianceofficer@yellowdiamond.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

The procedure for remote e-voting is same as the instructions mentioned above for e-voting.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.

4. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to Meeting** mentioning their name, demat account number/folio number, email id, mobile number at complianceofficer@yellowdiamond.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to Meeting** mentioning their name, demat account number/folio number, email id, mobile number at complianceofficer@yellowdiamond.in. These queries will be replied by the Company suitably by email.

7. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE 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 einward.ris@kfintech.com.

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 attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

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 or call on 022-23058542/43.

22. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, i.e. 29th July, 2021.

23. The Company has appointed Mr. Ritesh Gupta, (CP No. 3764), Proprietor of M/s. Ritesh Gupta & Co., Company Secretaries, as Scrutinizer to scrutinize the remote e-voting process and e-voting system at the AGM in a fair and transparent manner.

24. The Scrutinizer shall after the conclusion of e-voting at the Meeting, first count the votes cast at the Meeting through e-voting system, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, within two days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.

25. The result shall be declared on or after the date of the Meeting of the Company and shall be deemed to be passed on the date of the Meeting. The result declared, along with the Report of the Scrutinizer shall be placed on the website of the Company, www.yellowdiamond.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing in that behalf. The result shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT FOR THE PROPOSED RESOLUTIONS (RESOLUTION NO. 4 TO 8) OF THE NOTICE DATED 28TH MAY, 2021 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AND REGULATION 36(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLSOURE REQUIREMENTS) REGULATIONS, 2015

The following Statement sets out all material facts relating to the business mentioned in the accompanying Notice dated 28th May, 2021:

Item No. 4

In terms of provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), the existing Auditor of the Company will hold office as such till the conclusion of this 12th Annual General Meeting of the Company upon completion of their aggregate term of ten (10) consecutive years.

In line with the above, the Board of Directors on the recommendation of the Audit Committee has recommended to the members of the Company the appointment of B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Auditor of the Company for a term of five (5) consecutive years commencing from the conclusion of the 12th Annual General Meeting till the conclusion of the 17th Annual General Meeting of the Company. B S R & Co. LLP, Chartered Accountants has confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as Auditor in terms of the provisions of Section 139 and Section 141 of the Companies Act, 2013 and Rules made thereunder.

The Board of Directors, based on the fees proposal received and on the recommendation of the Audit Committee, has proposed a fees of ₹ 39,00,000/- (Rupees Thirty nine lakhs only) per annum for statutory audit of financial statements for the year ending 31st March, 2022 plus applicable tax and reimbursement of out-of-pocket expenses incurred in connection with the audit to B S R & Co. LLP, Chartered Accountants. The aforesaid fees exclude the fees payable to B S R & Co. LLP, Chartered Accountants for limited review of quarterly financial results and tax audit for the year ending 31st March, 2022. The Board may revise the fees payable to the Auditor for the subsequent financial years during their term as Auditor on recommendation of the Audit Committee. There is no material change in the fees payable to B S R & Co. LLP, Chartered Accountants from that paid to S R B C & CO LLP, Chartered Accountants, the outgoing Auditor.

B S R & Co. ('the firm') was constituted on 27th March,1990 having firm registration no. as 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on 14th October, 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai-400063. B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. B S R & Co. LLP possesses the Peer Review Certification from the Peer Review Board of the Institute of Chartered Accountants of India. The other entities which are part of the B S R & Affiliates include B S R & Associates LLP, B S R & Company, B S R and Co, B S R and Associates, B S R and Company, B S S R & Co and B B S R & Co. B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi.

None of the Directors or Key Managerial Personnel of the Company, either directly or through their relatives are in any way, concerned or interested, whether financially or otherwise, in the resolution set out at item no. 4 of this Notice.

The Board of Directors recommend the ordinary resolution set out at item no. 4 of this Notice for approval of members of the Company.

Item No. 5

Pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), Mr. Chetan Kumar Mathur (DIN: 00437558) was appointed as an Independent Director of the Company, to hold office for a term of three (3) consecutive years with effect from 7th August, 2018 to 6th August, 2021 ("first term").

As per the provisions of Section 149 of the Act read with the Rules made thereunder, an Independent Director shall hold office for a first term of upto five (5) consecutive years on the Board of Directors of a Company and shall be eligible for re-appointment on passing of Special Resolution by the Company and disclosure of such appointment shall be made in the Directors' Report. Further, pursuant to Section 149(11) of the Act, an Independent Director may hold office for upto two consecutive terms each. As per provisions of Section 149(13) read with explanation to Section 152(6) of the Act, the period of office of Independent Director will not be liable to determination by retirement of directors by rotation at the Annual General Meeting.

The Board of Directors and the Nomination and Remuneration Committee in their respective meeting(s) held on 28th May, 2021, placed on record that Mr. Chetan Kumar Mathur is highly renowned professional drawn from diverse fields, who bring with him a wide range of skills and experience in the field of finance, corporate governance and other discipline related to Company's business including experience of Food & Beverages industry to the Board, which enhances the quality of Board's decision making process. The Company, its Board of Directors and various Committees of the Board have immensely benefitted from his vast experience, knowledge and strategic insights on various matters relating to the Company's business. In this backdrop and also taking into account his performance evaluation beside the contribution made by him during his tenure as an Independent Director, the Board of Directors in its meeting held on 28th May, 2021, on recommendation of the Nomination and Remuneration Committee has recommended his re-appointment as Independent Director of the Company for the second term of five consecutive years with effect from 7th August, 2021 to 6th August, 2026, not liable to retire by rotation.

Mr. Chetan Kumar Mathur has given his consent to act as an Independent Director of the Company and furnished necessary declaration that he meet the criteria of independence as provided under the Act and Listing Regulations. Further, as per the intimation/declaration received by the Company, Mr. Chetan Kumar Mathur is not disqualified for re-appointment as Director under Section 164 of the Act.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Chetan Kumar Mathur, for the office of Director of the Company.

In the opinion of the Board, Mr. Chetan Kumar Mathur fulfils the conditions for re-appointment as an Independent Director of the Company as specified under the Act read with the Rules made thereunder and the Listing Regulations.

Brief profile of Mr. Chetan Kumar Mathur proposed to be re-appointed as Independent Director including nature of his expertise and shareholding in the Company, etc. is mentioned in 'Annexure-I' to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Copy of the draft letter of re-appointment of Mr. Chetan Kumar Mathur, setting out the terms and conditions of re-appointment is available on the website of the Company at www.yellowdiamond.in and also available for inspection by any member at the Registered Office of the Company during normal business hours between 11:00 a.m. to 4:00 p.m. on all working days upto and including the date of the Meeting.

None of the Directors or Key Managerial Personnel of the Company, either directly or through their relatives except Mr. Chetan Kumar Mathur and his relatives, are in any way, concerned or interested, whether financially or otherwise, in the resolution set out at item no. 5 of this Notice.

The Board of Directors recommend the special resolution set out at item no. 5 of this Notice for approval of members of the Company.

Item No. 6

The present term of Mr. Arvind Mehta (DIN: 00215183), as Executive Director will complete on 22nd September, 2021. Accordingly, in terms of the provisions of Sections 2(94), 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule V to the Act and Regulation 17(6)(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and considering the knowledge, rich and varied experience of Mr. Arvind Mehta in snacks food industry, the overall performance of the Company during his tenure, the Board of Directors in its meeting held on 28th May, 2021, on recommendation of the Nomination and Remuneration Committee, has approved the re-appointment of Mr. Arvind Mehta as Executive Director of the Company for another term of five (5) years with effect from 23rd September, 2021 to 22nd September, 2026 subject to the approval of members of the Company. The Board has also approved the remuneration, perquisites, etc. as mentioned in the resolution set out at item no. 6 of this Notice, payable to Mr. Arvind Mehta as Executive Director of the Company based on the recommendation of the Nomination and Remuneration Committee.

Mr. Arvind Mehta has given his consent to act as Executive Director of the Company and is eligible for appointment as Whole-time Director as he fulfils the conditions as specified under Section 196 of the Act and Part I of Schedule V to the Act. Further, as per the intimation/declaration received by the Company, Mr. Arvind Mehta is not disqualified for re-appointment as Director under Section 164 of the Act. Mr. Arvind Mehta is also Chairman of the Board of Directors of the Company.

Mr. Arvind Mehta, as Executive Director shall be considered as Whole-time Director and Key Managerial Personnel pursuant to the provisions of Section 196 and Section 203 of the Act and Rules made thereunder. If at any time the Executive Director ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the Executive Director and his appointment shall stand terminated forthwith. The appointment of Executive Director may be terminated either by the Company or by him by giving three months' notice in writing to the other party or the payment of salary in lieu thereof. A draft written memorandum setting out the terms and conditions of employment of Executive

Director is available for inspection by any member at the Registered Office of the Company during normal business hours between 11.00 a.m. to 4.00 p.m. on all working days upto and including the date of the Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Arvind Mehta for the office of Director of the Company.

Brief profile of Mr. Arvind Mehta, including nature of his expertise and shareholding in the Company, etc. is mentioned in 'Annexure-I' to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Mr. Arvind Mehta has rich and varied experience of the snacks food industry and has contributed in the overall performance and growth of the Company during his tenure as Executive Director. Hence, it will be in the interest of the Company to re-appoint Mr. Arvind Mehta, as Executive Director of the Company.

None of the Directors or Key Managerial Personnel of the Company, either directly or through their relatives except Mr. Arvind Mehta and his relatives, are in any way, concerned or interested, whether financially or otherwise, in the resolution set out at item no. 6 of this Notice.

The Board of Directors recommend the special resolution set out at item no. 6 of this Notice for approval of members of the Company.

Item No. 7

The present term of Mr. Amit Kumat (DIN: 02663687), as Managing Director and Chief Executive Officer will complete on 22nd September, 2021. Accordingly, in terms of the provisions of Sections 2(54), 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule V to the Act and Regulation 17(6)(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and considering the knowledge, rich and varied experience of Mr. Amit Kumat in snacks food industry, the overall performance of the Company during his tenure, the Board of Directors in its meeting held on 28th May, 2021, on recommendation of the Nomination and Remuneration Committee, has approved the re-appointment of Mr. Amit Kumat as Managing Director and Chief Executive Officer of the Company for another term of five (5) years with effect from 23rd September, 2021 to 22nd September, 2026 subject to the approval of members of the Company. The Board has also approved the remuneration, perquisites, etc. as mentioned in the resolution set out at item no. 7 of this Notice, payable to Mr. Amit Kumat as Managing Director and Chief Executive Officer of the Company based on the recommendation of the Nomination and Remuneration Committee.

Mr. Amit Kumat has given his consent to act as Managing Director and Chief Executive Officer of the Company and he is eligible for appointment as Managing Director as he fulfills the conditions as specified under Section 196 of the Act and Part I of Schedule V to the Act. Further, as per the intimation/declaration received by the Company, Mr. Amit Kumat is not disqualified for re-appointment as Director under Section 164 of the Act.

Mr. Amit Kumat, as Managing Director and Chief Executive Officer shall be considered as Key Managerial Personnel pursuant to the provisions of Section 203 of the Act and Rules made thereunder. If at any time the Managing Director and Chief Executive Officer ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the Managing Director and Chief Executive Officer and his appointment shall stand terminated forthwith. The appointment of Managing Director and Chief Executive Officer may be terminated either by the Company or by him by giving three months' notice in writing to the other party or the payment of salary in lieu thereof. A draft written memorandum setting out the terms and conditions of employment of Managing Director and Chief Executive Officer is available for inspection by any member at the Registered Office of the Company during normal business hours between 11.00 a.m. to 4.00 p.m. on all working days upto and including the date of the Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Amit Kumat for the office of Director of the Company.

Brief profile of Mr. Amit Kumat, including nature of his expertise and shareholding in the Company, etc. is mentioned in 'Annexure-I' to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Mr. Amit Kumat has rich and varied experience of the snacks food industry and has contributed in the overall performance and growth of the Company during his tenure as Managing Director and Chief Executive Officer of the Company. Hence, it will be in the interest of the Company to re-appoint Mr. Amit Kumat, as Managing Director and Chief Executive Officer of the Company.

None of the Directors or Key Managerial Personnel of the Company, either directly or through their relatives except Mr. Amit Kumat and his relatives, are in any way, concerned or interested, whether financially or otherwise, in the resolution set out at item no. 7 of this Notice.

The Board of Directors recommend the special resolution set out at item no. 7 of this Notice for approval of members of the Company.

Item No. 8

The present term of Mr. Apoorva Kumat (DIN: 02630764), as Executive Director (Operations) will complete on 1st November, 2021. Accordingly, in terms of the provisions of Sections 2(94), 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Schedule V to the Act and Regulation 17(6)(e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and considering the knowledge, rich and varied experience of Mr. Apoorva Kumat in snacks food industry, the overall performance of the Company during his tenure, the Board of Directors in its meeting held on 28th May, 2021, on recommendation of the Nomination and Remuneration Committee, has approved the re-appointment of Mr. Apoorva Kumat as Executive Director (Operations) of the Company for another term of five (5) years with effect from 2nd November, 2021 to 1st November, 2026 subject to the approval of members of the Company. The Board has also approved the remuneration, perquisites, etc. as mentioned in the resolution set out at item no. 8 of this Notice, payable to Mr. Apoorva Kumat as Executive Director (Operations) of the Company based on the recommendation of the Nomination and Remuneration Committee.

Mr. Apoorva Kumat has given his consent to act as Executive Director (Operations) of the Company and is eligible for appointment as Whole-time Director as he fulfills the conditions as specified under Section 196 of the Act and Part I of Schedule V to the Act. Further, as per the intimation/declaration received by the Company, Mr. Apoorva Kumat is not disqualified for re-appointment as Director under Section 164 of the Act.

Mr. Apoorva Kumat, as Executive Director (Operations) shall be considered as Whole-time Director and Key Managerial Personnel pursuant to the provisions of Section 196 and Section 203 of the Act and Rules made thereunder. If at any time the Executive Director (Operations) ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the Executive Director (Operations) and his appointment shall stand terminated forthwith. The appointment of Executive Director (Operations) may be terminated either by the Company or by him by giving three months' notice in writing to the other party or the payment of salary in lieu thereof. A draft written memorandum setting out the terms and conditions of employment of Executive Director (Operations) is available for inspection by any member at the Registered Office of the Company during normal business hours between 11:00 a.m. to 4:00 p.m. on all working days upto and including the date of the Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Apoorva Kumat for the office of Director of the Company.

Brief profile of Mr. Apoorva Kumat, including nature of his expertise and shareholding in the Company, etc. is mentioned in 'Annexure-I' to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Mr. Apoorva Kumat has rich and varied experience of the snacks food industry and has provided directions to the Company in terms of production, sales and marketing customer retention and overall raising the bar of performance across all parameters, falling under his domain during his tenure as Executive Director (Operations). Hence, it will be in the interest of the Company to re-appoint Mr. Apoorva Kumat, as Executive Director (Operations) of the Company.

None of the Directors or Key Managerial Personnel of the Company, either directly or through their relatives except Mr. Apoorva Kumat and his relatives, are in any way, concerned or interested, whether financially or otherwise, in the resolution set out at item no. 8 of this Notice.

The Board of Directors recommend the special resolution as set out at item no. 8 of this Notice for approval of members of the Company.

By Order of the Board of Directors
For **Prataap Snacks Limited**

Om Prakash Pandey
Company Secretary and Compliance Officer

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

Place: Indore
Date: 28th May, 2021

ANNEXURE – I

Details as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) of Directors seeking re-appointment at the Annual General Meeting as referred to in the Notice

Name of Director	Mr. Chetan Kumar Mathur	Mr. Arvind Mehta	Mr. Amit Kumat	Mr. Apoorva Kumat
DIN	00437558	00215183	02663687	02630764
Date of Birth	30th August, 1961	31st August, 1967	10th April, 1969	23rd June, 1968
Age	59 years	53 years	52 years	53 years
Nationality	Indian	Indian	Indian	Indian
Date of first appointment on the Board	7th August, 2018	12th May, 2011	12th May, 2011	2nd November, 2018
Qualifications & Experience (including nature of expertise in specific functional areas)/brief resume	Mr. Chetan Kumar Mathur holds a bachelor's degree in Commerce and a Chartered Accountant. He has around 32 years of experience in Food & Beverages industry and worked with Pepsi Co India for more than 23 years. He has also strong operating experience in leadership roles in finance in the consumer goods industry.	Mr. Arvind Mehta holds a bachelor's degree in commerce from Devi Ahilya Vishwavidyalaya. He has over 32 years of experience in real estate business along with over 18 years of experience in snacks food industry and in the financing business.	Mr. Amit Kumat holds a master's degree in science from the University Southwestern Louisiana. He has over 25 years of experience in snacks food industry.	Mr. Apoorva Kumat holds a bachelor's degree in Commerce from Devi Ahilya Vishwavidyalaya. He has over 25 years of experience in snacks food industry.
Number of Shares held in the Company, including shares held as a beneficial owner	Nil	5,59,684	5,81,848	5,54,145
List of Directorships held in other companies	**Director** a) Mahindra HZPC Private Limited b) Traktion Solutions Private Limited c) Rumi's Kitchen Management Private Limited d) IHealthclinics Technology Private Limited e) RJC 2ndInnings Advisory Private Limited f) Risk Educators Private Limited g) Spetz Health & Wellbeing Private Limited	**Director** a) Prakash Snacks Private Limited b) Orange Infracon Private Limited c) Avadh Snacks Private Limited d) Red Rotopack Private Limited	**Director** a) Avadh Snacks Private Limited b) Red Rotopack Private Limited	**Director** a) Nishanta Environmental Technology Company Limited b) Jum Health 365 Private Limited (formerly known as IMT Foods Private Limited)
Chairman/Member of the Committees of the Boards of Company(s) in which he is a Director	**Chairman** Prataap Snacks Limited: a) Audit Committee b) Risk Management Committee **Member** Prataap Snacks Limited: a) Nomination and Remuneration Committee Mahindra HZPC Private Limited: a) Audit Committee	**Member** Prataap Snacks Limited: a) Stakeholders Relationship Committee b) Corporate Social Responsibility Committee	**Member** Prataap Snacks Limited: a) Corporate Social Responsibility Committee b) Risk Management Committee Avadh Snacks Private Limited: a) Audit Committee b) Nomination and Remuneration Committee	Nil

Name of Director	Mr. Chetan Kumar Mathur	Mr. Arvind Mehta	Mr. Amit Kumat	Mr. Apoorva Kumat
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	He is brother of Mr. Apoorva Kumat, Executive Director (Operations) of the Company.	He is brother of Mr. Amit Kumat, Managing Director and Chief Executive Officer of the Company.
Number of Meetings of Board of Directors attended during the year ended 31st March, 2021	5	4	4	5
Terms and conditions of re-appointment	Re-appointment as an Independent Director, not liable to retire by rotation on the terms and conditions as mentioned in the resolution at item no. 5 and its explanatory statement.	Re-appointment as Executive Director, liable to retire by rotation on the terms and conditions as mentioned in the resolution at item no. 6 and its explanatory statement.	Re-appointment as Managing Director and Chief Executive Officer, not liable to retire by rotation on the terms and conditions as mentioned in the resolution at item no. 7 and its explanatory statement.	Re-appointment as Executive Director (Operations), liable to retire by rotation on the terms and conditions as mentioned in the resolution at item no. 8 and its explanatory statement.
Remuneration last drawn by such person, if applicable and Remuneration sought to be paid	Last Remuneration drawn: ₹ 12.84 lakhs.	Last Remuneration drawn: ₹ 67.50 lakhs. For remuneration proposed to be paid, kindly refer the resolution at item no. 6 and its explanatory statement.	Last Remuneration drawn: ₹ 67.50 lakhs. For remuneration proposed to be paid, kindly refer the resolution at item no. 7 and its explanatory statement.	Last Remuneration drawn: ₹ 67.50 lakhs. For remuneration proposed to be paid, kindly refer the resolution at item no. 8 and its explanatory statement.

By Order of the Board of Directors
For **Prataap Snacks Limited**

Om Prakash Pandey
Company Secretary and Compliance Officer

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

Place: Indore
Date: 28th May, 2021

NOTES

Yellow Diamond®

Dildaar hain hum

PRATAAP SNACKS LIMITED

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