

# Walker Chandiook & Co LLP

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## Independent Auditor's Report

To the Members of Chatha Foods Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Chatha Foods Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2021, and its loss and its cash flows for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

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

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

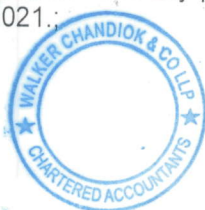




- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 30 November 2021 as per Annexure II expressed unmodified opinion; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigation, which would impact its financial position as at 31 March 2021.



# Walker Chandiook & Co LLP

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021.; and
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Sandeep Mehta**  
Partner  
Membership No.: 099410  
UDIN: 21099410AAAAFG4987

**Place:** Chandigarh  
**Date:** 30 November 2021



## Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, 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) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank. The Company has no loans or borrowings payable to government and no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.



# Walker Chandiook & Co LLP

## Annexure I to the Independent Auditor's Report of even date to the members of Chatha Foods Private Limited, on the financial statements for the year ended 31 March 2021

- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Sandeep Mehta**

Partner

Membership No.: 099410

UDIN: 21099410AAAAFG4987

Place: Chandigarh

Date: 30 November 2021



## Annexure II

### **Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Chatha Foods Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable



# Walker Chandiook & Co LLP

## Annexure II to the Independent Auditor's Report of even date to the members of Chatha Foods Private Limited on the financial statements for the year ended 31 March 2021

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on 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 **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Sandeep Mehta**  
Partner  
Membership No.: 099410  
UDIN: 21099410AAAAFG4987



Place: Chandigarh  
Date: 30 November 2021



Chatha Foods Private Limited  
Balance Sheet as at 31 March 2021  
(All amounts in ₹ unless stated otherwise)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	124,011,590	124,011,590
Reserves and surplus	4	62,256,620	102,295,461
<b>Total equity</b>		<b>186,268,210</b>	<b>226,307,051</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	46,451,939	47,225,576
Deferred tax liabilities (net)	6	14,842,409	30,066,451
Long-term provisions	7	11,686,983	10,503,667
<b>Total non-current liabilities</b>		<b>72,981,331</b>	<b>87,795,694</b>
<b>Current liabilities</b>			
Short-term borrowings	8	35,602,022	1,647,275
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		8,004,845	3,789,844
Total outstanding dues of creditors other than micro enterprises and small enterprises		76,792,402	93,683,937
Other current liabilities	10	49,753,064	41,112,803
Short-term provisions	11	3,624,042	3,083,887
<b>Total current liabilities</b>		<b>173,776,375</b>	<b>143,317,746</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>433,025,916</b>	<b>457,420,491</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	271,281,311	292,477,995
Capital work-in-progress		5,409,654	-
Long-term loans and advances	13	41,073,635	33,212,601
<b>Total non-current assets</b>		<b>317,764,600</b>	<b>325,690,596</b>
<b>Current assets</b>			
Inventories	14	43,092,228	55,852,398
Trade receivables	15	65,296,825	59,967,315
Cash and bank balances	16	949,421	1,176,595
Short-term loans and advances	17	5,922,842	14,733,587
<b>Total current assets</b>		<b>115,261,316</b>	<b>131,729,895</b>
<b>TOTAL ASSETS</b>		<b>433,025,916</b>	<b>457,420,491</b>

Notes 1 to 35 form an integral part of these financial statements

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

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Sandeep Mehta*

Sandeep Mehta  
Partner  
Membership No. 099410  
UDIN: 21099410MAAF6987



For and on behalf of the Board of Directors of  
Chatha Foods Private Limited

**For CHATHA FOODS (P) LTD.**

*Paramjit Singh Gosal*  
Paramjit Singh Gosal  
Managing Director  
(DIN No. 1154225)

*Sandeep Mehta*  
Sandeep Mehta  
Director  
(DIN No. 1389179)

*Naveen Kumar*  
Naveen Kumar  
Company Secretary  
(Membership No: ACS49282)

Place: Chandigarh  
Date: 30 November 2021

Place: Chandigarh  
Date: 30 November 2021

Chatha Foods Private Limited  
Statement of Profit and Loss for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	18	611,806,217	852,920,431
Other income	19	96,711	406,910
<b>Total revenue</b>		<b>611,902,928</b>	<b>853,327,341</b>
<b>Expenses</b>			
Cost of materials consumed	20	461,446,172	611,656,385
Changes in inventory of finished goods and work-in-progress	21	10,565,983	(5,408,301)
Employee benefits expenses	22	67,334,613	79,363,103
Finance costs	23	8,882,319	15,064,317
Depreciation	24	26,055,632	24,517,981
Other expenses	25	92,910,107	114,087,102
<b>Total expenses</b>		<b>667,194,826</b>	<b>839,280,587</b>
<b>(Loss)/Profit before tax</b>		<b>(55,291,898)</b>	<b>14,046,754</b>
<b>Tax expense</b>			
Current tax		-	2,494,981
Deferred tax		(15,224,043)	1,665,860
Minimum Alternate Tax (MAT) credit entitlement		-	(365,479)
Minimum Alternate Tax (MAT) credit entitlement - earlier years		(29,014)	-
<b>(Loss)/Profit after tax</b>		<b>(40,038,841)</b>	<b>10,251,392</b>
(Loss)/Earning per equity share (₹)	26		
Basic (₹)		(3.23)	0.83
Diluted (₹)		(3.23)	0.83

**Notes 1 to 35 form an integral part of these financial statements**

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

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

*Sandeep Mehta*

Sandeep Mehta  
Partner  
Membership No. 099410  
UDIN: 21099410AAAAA644987



For and on behalf of the Board of Directors of  
Chatha Foods Private Limited

**For CHATHA FOODS (P) LTD.**

*Paramjit Singh Chatha*  
Paramjit Singh Chatha  
Managing Director  
(DIN No: 1154225)

**DIRECTOR/MG DIRECTOR**

*Gurpreet Singh Gosal*  
Gurpreet Singh Gosal  
Director  
(DIN No: 1389179)

*Navjit Kumar*  
Navjit Kumar  
Company Secretary  
(Membership No: ACS49282)

Place: Chandigarh  
Date: 30 November 2021

Place: Chandigarh  
Date: 30 November 2021



Chatha Foods Private Limited  
Cash Flow Statement for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax	(55,291,898)	14,046,754
<b>Adjustments for:</b>		
Depreciation	26,055,632	24,517,981
Loss on sale of property, plant and equipment (net)	-	598,003
Provision for doubtful debts	409,834	900,413
Bad debts and advances written off	-	1,497,125
Liabilities written back	-	(279,500)
Interest income	(96,711)	(127,410)
Interest expense	8,882,319	15,064,317
<b>Operating (loss)/profit before operating capital changes</b>	<b>(20,040,824)</b>	<b>56,217,683</b>
<b>Adjustments for movement in:</b>		
Long-term provisions	1,183,316	2,951,935
Trade payables	(13,086,368)	1,628,898
Other current liabilities	6,564,004	(3,836,806)
Short-term provisions	540,155	60,246
Long-term loans and advances	(43,248)	(236,744)
Inventories	12,760,170	(9,308,888)
Trade receivables	(5,329,510)	30,460,068
Short-term loans and advances	8,810,745	(3,050,649)
<b>Cash (utilized in)/flow from operating activities before taxes</b>	<b>(8,641,560)</b>	<b>74,885,743</b>
Income taxes paid (net)	(30,208)	(10,498,839)
<b>Net cash (utilized in)/generated from operating activities (A)</b>	<b>(8,671,768)</b>	<b>64,386,904</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment (including creditors for capital expenditure, capital advances and capital work-in-progress)	(21,225,398)	(22,544,307)
Interest received	88,718	119,571
Proceeds from sale of property, plant and equipment	-	4,660,503
<b>Net cash utilized in investing activities (B)</b>	<b>(21,136,680)</b>	<b>(17,764,233)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long-term borrowings	24,250,000	-
Repayment of long-term borrowings	(18,922,009)	(17,867,209)
Net increase/(decrease) in short-term borrowings	33,954,746	(13,752,430)
Interest paid	(9,709,456)	(14,508,792)
<b>Net cash generated from/(utilized in) financing activities (C)</b>	<b>29,573,281</b>	<b>(46,128,431)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(235,167)</b>	<b>494,240</b>
Opening cash and cash equivalents	1,054,656	560,416
Closing cash and cash equivalents	<b>819,489</b>	<b>1,054,656</b>



For CHATHA FOODS (P) LTD.  
DIRECTOR/ING. DIRECTOR

Chatha Foods Private Limited  
 Cash Flow Statement for the year ended 31 March 2021  
 (All amounts in ₹ unless stated otherwise)

Notes:

a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash Flow Statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

	For the year ended 31 March 2021	For the year ended 31 March 2020
b) Cash and cash equivalents include:		
Cash in hand	480,198	585,208
Balances with banks in current account	339,291	469,448
<b>Cash and cash equivalents</b>	<b>819,489</b>	<b>1,054,656</b>
Other bank balance*		
Deposit with maturity more than 3 months but less than 12 months	129,932	121,939
<b>Cash and bank balances</b>	<b>949,421</b>	<b>1,176,595</b>

\*Other bank balance includes ₹ 129,932 (previous year ₹ 121,939) which are restricted and not available for use.

**Notes 1 to 35 form an integral part of these financial statements**

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

For Walker Chandiook & Co LLP  
 Chartered Accountants  
 Firm's Registration No.: 001076N/N500013




Sandeep Mehta  
 Partner  
 Membership No. 099410  
 UDIN: 21099410AAAAY4997

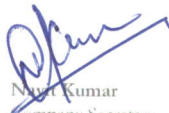


For and on behalf of the Board of Directors of  
 Chatha Foods Private Limited

**For CHATHA FOODS (P) LTD.**

  
 Paramjit Singh Chatha  
 Managing Director  
 (DIN No. 111111111111111111)

  
 Gursharan Singh Gosal  
 Director  
 (DIN No. 111111111111111111)

  
 Navin Kumar  
 Company Secretary  
 (Membership No: ACS49282)

Place: Chandigarh  
 Date: 30 November 2021

Place: Chandigarh  
 Date: 30 November 2021



## Chatha Foods Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### 1. Background and nature of operations

Chatha Foods Private Limited (the “Company”) incorporated in 1997 is engaged in the business of food processing in India. It is a leading frozen and ready to eat meat foods manufacturer and retails an array of ready to eat and frozen meat products under the brand “Swiss Naturen”. It is the largest supplier of frozen chicken products to Domino’s, Subway, Café Coffee Day and several other leading quick service restaurants in India.

### 2. Significant accounting policies

#### a. Basis of preparation

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). Indian GAAP comprises mandatory accounting standards as specified under section 133 of the Companies Act, 2013 (‘the Act’), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting pronouncements of The Institute of Chartered Accountants of India.

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

#### b. Use of estimates

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

#### c. Revenue recognition

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

#### d. Property, plant and equipment

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



For CHATHA FOODS (P) LTD.  
*[Signature]*  
DIRECTOR/MG/DIRECTOR

## Chatha Foods Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

Expenditure on account of modification/alteration in plant and machinery/building, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalized.

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

### e. Depreciation

Depreciation on property, plant and equipment is provided on straight line method based on life prescribed as per Schedule II of the Companies Act, 2013.

Block of asset	Useful life as per Companies Act, 2013 (in years)
Buildings	30-60
Plant and machinery	15
Furniture and fixture	10
Office equipment	5
Computers	3
Vehicles	8 – 10

### f. Inventories

Inventories are valued as follows:

- 1. Raw materials, stores and spares and packing materials:** At cost as determined on the basis of First In First Out (FIFO Basis). However, materials and other items held for use in the production of inventories are not written down below cost as the finished products in which they will be incorporated are expected to be sold at or above cost.
- 2. Work in process and finished goods:** Lower of cost and net realizable value. Cost includes direct materials and a proportion of labour and manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

### g. Employee benefits

#### Short-term employee benefits

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

#### Post-employment benefits

#### Defined contribution plan

The company makes specified contribution towards employee provident fund to Employees Provident Fund administered by the Regional Provident Commissioner. The Company's contribution to provident



For CHATHA FOODS (P) LTD.

DIRECTOR/MG DIRECTOR

fund, being a defined contribution plan, is recognized in the statement of profit and loss in the financial year to which it relates.

#### **Defined benefit plan**

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

#### **Other long-term liability**

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

#### **Actuarial gains/losses**

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

### **h. Accounting for taxes on income**

Tax expense comprises current tax and deferred income tax.

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

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

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

### **i. Earnings per share**

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

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



For CHATHA FOODS (P) LTD.  
*[Signature]*  
DIRECTOR/ANG. DIRECTOR



## Chatha Foods Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### j. Leases

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

### k. Provisions and contingent liabilities

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

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

### l. Impairment of assets

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

### m. Cash and bank balances

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



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For CHATHA FOODS (P) LTD.  
*[Signature]*  
DIRECTOR/MG DIRECTOR

Chatha Foods Private Limited  
Notes to the financial statements for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

3 Share capital

Authorized share capital  
Equity shares of ₹ 10 each

Issued, subscribed and fully paid up  
Equity shares of ₹ 10 each

Total

As at 31 March 2021		As at 31 March 2020	
Number of shares	Amount	Number of shares	Amount
13,000,000	130,000,000	13,000,000	130,000,000
12,401,159	124,011,590	12,401,159	124,011,590
<b>12,401,159</b>	<b>124,011,590</b>	<b>12,401,159</b>	<b>124,011,590</b>

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

b. Reconciliation of equity share capital

Equity share capital of ₹ 10 each fully paid up  
Balance at the beginning of the year  
Add : Shares issued during the year

Number of shares	Amount	Number of shares	Amount
12,401,159	124,011,590	12,401,159	124,011,590
-	-	-	-
<b>12,401,159</b>	<b>124,011,590</b>	<b>12,401,159</b>	<b>124,011,590</b>

c. Shareholders holding more than 5% of shares of the Company

Mr. Paramjit Singh Chatha  
Mr. Iqbal Singh Chatha  
Mr. Harbhajan Singh Chatha  
Mr. Gurpreet Singh Chatha  
Mr. Gurcharan Singh Gosal  
SME Tech Fund

Number of shares	% of shareholding	Number of shares	% of shareholding
1,877,500	15.14%	1,877,500	15.14%
1,877,500	15.14%	1,877,500	15.14%
-	-	1,877,500	15.14%
1,877,500	15.14%	-	-
2,465,600	19.88%	2,465,600	19.88%
3,844,359	31.00%	3,844,359	31.00%

d. Shares issued for consideration other than cash

The Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

4 Reserves and surplus

Securities premium

Balance at the beginning and end of the year

(Deficit)/surplus in the statement of profit and loss

Balance at the beginning of the year

Add : Transferred from statement of profit and loss

Balance at the end of the year

Total

As at 31 March 2021	As at 31 March 2020
91,556,408	91,556,408
<b>91,556,408</b>	<b>91,556,408</b>
10,739,053	487,661
(40,038,841)	10,251,392
<b>(29,299,788)</b>	<b>10,739,053</b>
<b>62,256,620</b>	<b>102,295,461</b>

5 Long-term borrowings (secured)

Term loans

from banks [refer note 5(a)]

Vehicle loans

from Non Banking Finance Company (NBFC) [refer note 5(b)]

As at 31 March 2021		As at 31 March 2020	
Long-term borrowings	Current maturities of long-term borrowings (refer note 10)	Long-term borrowings	Current maturities of long-term borrowings (refer note 10)
44,771,851	23,133,456	45,200,968	17,029,802
1,680,088	1,315,764	2,024,608	1,317,789
<b>46,451,939</b>	<b>24,449,220</b>	<b>47,225,576</b>	<b>18,347,591</b>



For CHATHA FOODS (P) LTD.

DIRECTOR/MG DIRECTOR

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	As at 31 March 2021	As at 31 March 2020
<b>6 Deferred tax liabilities (net)</b>		
<b>Deferred tax liabilities arising on account of:</b>		
Timing difference on depreciation of property, plant and equipment	33,771,263	34,097,004
	<u>33,771,263</u>	<u>34,097,004</u>
<b>Deferred tax assets arising on account of:</b>		
Provision for employee benefits	3,672,201	3,317,004
Provision for doubtful debts	114,016	250,495
Provision for bonus	587,326	463,054
Brought forward losses and unabsorbed depreciation	14,555,311	-
	<u>18,928,854</u>	<u>4,030,553</u>
<b>Deferred tax liabilities (net)</b>	<u>14,842,409</u>	<u>30,066,451</u>
<b>7 Long-term provisions</b>		
Provision for gratuity [refer note 7 (a)]	8,422,219	7,724,057
Provision for compensated absences [refer note 7 (b)]	3,264,764	2,779,610
	<u>11,686,983</u>	<u>10,503,667</u>
<b>7(a) Provision for gratuity</b>		
The following table set out the status of the plan for gratuity and as required under Accounting Standard (AS) - 15 (R) - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation in respect of gratuity:		
<b>Particulars</b>		
<b>Actuarial assumptions</b>		
Discount rate	7.00%	7.00%
Salary growth rate	6.00%	6.00%
<b>Demographic assumptions</b>		
Mortality rate	IALM 2012-14	IALM 2012-14
Retirement age	58.00	58.00
Average age	34.90	34.60
Average past service	4.00	4.30
Average remaining working life	23.10	23.40
Withdrawal rates	5%	5%
<b>Change in the present value of obligation:</b>		
Present value of obligation as at the beginning of the year	8,817,378	6,527,490
Interest cost	617,216	456,924
Current service cost	1,242,998	1,172,850
Benefits paid	(278,464)	(175,854)
Actuarial loss/(gain) on obligations	(832,852)	835,968
Present value of obligation as at the end of the year*	<u>9,566,276</u>	<u>8,817,378</u>
* includes short term provision of ₹ 1,144,057 (previous year ₹ 1,093,321).		
<b>Expenses recognized in the statement of profit and loss:</b>		
Current service cost	1,242,998	1,172,850
Interest cost	617,216	456,924
Net actuarial loss/(gain) recognized in the year	(832,852)	835,968
<b>Total expenses recognized in the statement of profit and loss</b>	<u>1,027,362</u>	<u>2,465,742</u>



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For CHATHA FOODS (P) LTD.

DIRECTORING DIRECTOR



Chatha Foods Private Limited  
Notes to the financial statements for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

Notes :

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

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

Current year		As at			
		31 March 2021			
Defined benefit obligation		9,566,276			
Previous years		As at		As at	
		31 March 2020		31 March 2019	
Defined benefit obligation		8,817,378	6,527,490	5,209,827	4,469,910
Experience adjustment arising on the gratuity benefits:					
		As at		As at	
		31 March 2021		31 March 2020	
		832,852	(362,820)	156,713	167,068
					86,350

7(b) Provision for compensated absences

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Actuarial assumptions</b>		
Discount rate	7.00%	7.00%
Salary growth rate	6.00%	6.00%
<b>Demographic assumptions</b>		
Mortality rate	IALM 2012-14	IALM 2012-14
Retirement age	58.00	58.00
Average age	34.90	34.60
Average past service	4.00	4.30
Average remaining working life	23.10	23.40
Withdrawal rates	5%	5%

8 Short-term borrowings

Cash credits	35,602,022	1,647,275
	<u>35,602,022</u>	<u>1,647,275</u>

a. Details of security of short term borrowings

Cash credit facilities taken from Kotak Mahindra Bank are secured by first and foremost charge on all existing and future current assets and fixed assets of the borrower, extension of equitable mortgage of the following properties - Residential property number 273 situated at Master Mota Singh Nagar, Jalandhar owned by Hari Singh, Iqbal Singh and Manjit Singh, Residential property number 271 situated at Master Mota Singh Nagar, Jalandhar owned by Paramjit Singh, Commercial property SCF number 305, Motor Market, Manimajra, Chandigarh owned by Gurcharan Singh, Industrial property khewat/khatoni number 35/124 village Chandehery, SAS Nagar owned by the Company, industrial property owned in Kartarpur by Mr. Paramjit Singh Chatha and industrial property owned in Shadipur by Mr. Paramjit Singh Chatha. The cash credit is also secured by personal guarantee of Iqbal Singh Chatha, Gurpreet Singh Chatha, Gurpreet Singh Chatha, Paramjit Singh Chatha, Gurcharan Singh, Hari Singh and Manjit Singh.

b. Terms of repayment and interest rates

Cash credit from bank amounting to ₹ 35,602,022 (previous year ₹ 1,647,275) carrying interest rate 4.25% over the Repo rate are repayable on demand.



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For CHATHA FOODS (P) LTD.

*[Signature]*  
DIRECTOR/MS DIRECTOR

Chatha Foods Private Limited  
Notes to the financial statements for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
<b>9 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	8,004,845	3,789,844
Total outstanding dues of creditors other than micro enterprises and small enterprises	76,792,402	93,683,937
	<u>84,797,247</u>	<u>97,473,781</u>
<b>a. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006</b>		
On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:		
Principal amount remaining unpaid	7,886,609	3,710,653
Interest accrued and due thereon remaining unpaid	118,236	79,191
Interest paid by the Company in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006.	-	-
Interest accrued and remaining unpaid as at the end of the year	118,236	79,191
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
<b>10 Other current liabilities</b>		
Current maturities of long-term borrowings:		
Term loan from banks	23,133,456	17,029,802
Vehicle loan from NBFC's	1,315,764	1,317,789
Advance from customers	229,236	115,774
Creditors for capital expenditure	2,418,138	5,616,373
Statutory dues	6,011,688	3,065,572
Interest accrued but not due on borrowings	353,398	1,180,535
Expenses payable (refer note 28)*	10,070,700	7,031,743
Employee related payables (refer note 28)**	6,220,684	5,755,215
	<u>49,753,064</u>	<u>41,112,803</u>
*Expenses payable to KMPs		
Mr. Gurcharan Singh Gosal	-	3,727
**Salary payable to KMPs		
Mr. Paramjit Singh Chatha	141,301	238,939
Mr. Gurcharan Singh Gosal	69,845	90,765
Mr. Gurpreet Singh Chatha	117,507	79,006
<b>11 Short-term provisions</b>		
Provision for gratuity [refer note 7 (a)]	1,144,057	1,093,321
Provision for compensated absences [refer note 7 (b)]	368,820	326,103
Provision for bonus	2,111,165	1,664,463
	<u>3,624,042</u>	<u>3,083,887</u>



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For CHATHA FOODS (P) LTD.  
DIRECTOR/M.S. DIRECTOR

Chatha Foods Private Limited  
Notes to the financial statements for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
<b>13 Long-term loans and advances</b> (unsecured considered good, unless otherwise stated)		
Security deposit		
Capital advances	3,073,024	3,029,776
Balances with statutory and government authorities	8,547,269	788,705
Advance tax (net of provision)	84,900	84,900
Minimum Alternate Tax (MAT) credit entitlement [refer note (a) below]	6,125,110	6,094,902
	<u>23,243,332</u>	<u>23,214,318</u>
	<u>41,073,635</u>	<u>33,212,601</u>
<b>a. Minimum alternate tax (MAT) credit entitlement</b>		
Balance at beginning of year	23,214,318	22,848,839
Add: MAT credit entitlement created during the year	29,014	365,479
Balance at end of period	<u>23,243,332</u>	<u>23,214,318</u>
	As at 31 March 2021	As at 31 March 2020
<b>14 Inventories</b>		
Raw materials [includes stock in transit ₹ Nil (previous year ₹ 517,528)]	21,983,437	23,914,437
Work-in-progress	2,245,676	246,538
Finished products	17,579,986	30,145,107
Stores, spares and other consumables	1,283,129	1,546,316
	<u>43,092,228</u>	<u>55,852,398</u>
<b>a. Details of finished goods</b>		
Roast chicken breast	-	11,280
Chicken wings	1,011,604	1,836,594
Smoked chicken	1,034,650	86,400
Others chicken products	15,533,733	28,210,833
	<u>17,579,987</u>	<u>30,145,107</u>
<b>15 Trade receivables</b> (unsecured considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months from the date they are due for payment		
-Considered good	5,073,856	485,368
-Considered doubtful	409,834	900,413
	<u>5,483,690</u>	<u>1,385,781</u>
Less: Provision for doubtful debts	409,834	900,413
	<u>5,073,856</u>	<u>485,368</u>
Other debts		
-Considered good	60,222,969	59,481,947
	<u>65,296,825</u>	<u>59,967,315</u>
<b>16 Cash and bank balances</b>		
Cash and cash equivalents		
cash in hand	480,198	585,208
Balances with banks		
in current account	339,291	469,448
	<u>819,489</u>	<u>1,054,656</u>
Other bank balances:		
Deposit with maturity more than 3 months but less than 12 months *	129,932	121,939
	<u>949,421</u>	<u>1,176,595</u>
* Deposits with maturity more than three months but less than twelve months includes ₹ 129,932 (previous year ₹ 121,939), pledged with Punjab Pollution Control Board.		
<b>17 Short-term loans and advances</b> (Unsecured, considered good)		
Advances to suppliers	2,114,220	10,483,637
Prepaid expenses	657,819	313,370
Advances to employees [refer note (a) below]	3,150,803	3,936,580
	<u>5,922,842</u>	<u>14,733,587</u>
<b>a. Includes advances/ imprest to related parties</b>		
Mr. Paramjit Singh Chatha (refer note 28)	114,026	
Mr. Harbhajan Singh Chatha (refer note 28)	700,000	
Mr. Gurpreet Singh Chatha (refer note 28)	-	



114,026  
700,000

**For CHATHA FOODS (P) LTD.**

*[Signature]*  
**DIRECTOR/MG. DIRECTOR**



Chatha Foods Private Limited  
Notes to the financial statements for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

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

1. Term loans from banks amounting to ₹ 67,915,307 (previous year ₹ 62,230,770) [including current maturities of long-term borrowings amounting to ₹ 23,133,456 (previous year ₹ 17,029,802) as referred to in Note 10] are secured as under:

Nature of loan	Lender	As at				Nature of securities	Interest rate	Tenure of repayment
		31 March 2021		31 March 2020				
		Non-Current	Current	Non-Current	Current			
Term loan from bank (in ₹)	Kotak Mahindra Bank	5,416,208	2,433,792	-	-	Repo Rate + 4.5%	The company has availed loan amounting to ₹ 23,471,688 out of which disbursement for ₹ 7,850,000 has been made. The loan is payable in 72 equal monthly instalments of ₹ 402,993	
Working capital term loan from Bank (in ₹)	Kotak Mahindra Bank	11,804,155	3,595,845	-	-	Repo Rate + 4.5%	48 equal monthly instalments of ₹ 491,510	
Working capital term loan from Bank (in ₹)	Kotak Mahindra Bank	-	4,311,145	4,323,852	6,080,145	Repo Rate + 4.5%	60 equal monthly instalments of ₹ 572,300	
Working capital term loan from Bank (in ₹)	Kotak Mahindra Bank	27,551,488	12,792,674	40,877,116	10,949,657	Repo Rate + 4.5%	72 equal monthly instalments of ₹ 1,341,366	

5(b). Details of security of vehicle loans:

Vehicle loans from Kotak Mahindra Prime Limited (NBFC) amounting to ₹ 2,995,852 (previous year ₹ 3,342,397) [including current maturities of long-term borrowings amounting to ₹ 1,315,764 (previous year ₹ 1,317,789)], carrying interest rate in the range of 10% p.a. to 14% p.a. are secured against hypothecation of specific vehicles purchased out of the proceeds of those loans. These loans are to be repaid as per the respective repayment schedules in equal monthly instalments.



For CHATHA FOODS (P) LTD.  
DIRECTOR M.G. Dhillon

Chatha Foods Private Limited  
Notes to the financial statements for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>18 Revenue from operations</b>		
Sale of products	611,806,217	852,920,431
	<u>611,806,217</u>	<u>852,920,431</u>
<b>19 Other income</b>		
Interest income:		
on deposit with electricity department	88,718	119,571
bank	7,993	7,839
Liabilities written back	-	279,500
	<u>96,711</u>	<u>406,910</u>
<b>20 Cost of materials consumed</b>		
Opening stock		
Raw material	23,914,437	20,208,403
Stores, spares and other consumables	1,546,316	1,351,764
Add: Purchases made during the year	459,251,985	615,556,971
	484,712,738	637,117,138
Less: Closing stock		
Raw material	21,983,437	23,914,437
Stores, spares and other consumables	1,283,129	1,546,316
	<u>461,446,172</u>	<u>611,656,385</u>
<b>Details of raw material and consumables</b>		
Raw chicken	363,162,652	599,801,487
Others	98,283,520	11,854,898
	<u>461,446,172</u>	<u>611,656,385</u>
<b>21 Changes in inventories of finished goods and work-in-progress</b>		
Opening stock		
Work-in-progress	246,538	2,406,705
Finished goods	30,145,107	22,576,639
Closing stock		
Work-in-progress	2,245,676	246,538
Finished goods	17,579,986	30,145,107
	<u>10,565,983</u>	<u>(5,408,301)</u>
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	63,304,548	70,512,527
Contribution to provident and other funds	2,014,125	4,030,023
Staff welfare expenses	2,015,940	4,820,553
	<u>67,334,613</u>	<u>79,363,103</u>
<b>23 Finance costs</b>		
Interest on		
Banks	7,640,065	8,394,525
Others	1,242,254	6,669,792
	<u>8,882,319</u>	<u>15,064,317</u>



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For CHATHA FOODS (P) LTD.  
*[Signature]*  
DIRECTOR/MG/DIRECTOR

Chatha Foods Private Limited  
Notes to the financial statements for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>24 Depreciation expense</b>		
Depreciation (refer note 12)	26,055,632	24,517,981
	<u>26,055,632</u>	<u>24,517,981</u>
<b>25 Other expenses</b>		
Insurance	885,260	642,826
Rent	9,193,451	8,505,839
Freight and forwarding	10,822,846	14,310,343
Rates and taxes	880,262	396,623
Legal and professional *	3,043,395	6,773,380
Advertisement and publicity	11,246,466	9,309,605
Power, fuel and water charges	22,480,992	26,161,487
Repair and maintenance		
Plant and machinery	7,819,281	13,221,747
Building	454,465	1,124,658
ITP maintenance expenses	2,299,864	3,454,341
Travelling and conveyance	2,504,519	5,206,196
Loss on sale/disposal of property, plant and equipment		598,003
Provision for doubtful debts		900,413
Bad debts and advances written off (net of provision)**	409,834	1,497,125
Quality control and quality assurance		12,178,240
Security expenses	4,317,253	5,988,013
Miscellaneous expenses	3,941,527	3,818,263
	<u>92,910,107</u>	<u>114,087,102</u>
<b>* Payment to auditors excluding goods and service tax:</b>		
Auditor	1,000,000	1,080,000
Reimbursement of expenses	16,528	23,070
	<u>1,016,528</u>	<u>1,103,070</u>

\*\*Bad debts are net off provision amounting to ₹ 900,413 (previous year ₹ 1,037,145).

**26 (Loss)/Earnings per share**

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Accounting Standard (AS-20) on "Earning Per Share" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). Earnings per Share (EPS) is determined based on the net profit attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

	For the year ended 31 March 2021	For the year ended 31 March 2020
(Loss)/Profit after tax	(40,038,841)	10,251,392
Weighted average number of equity shares outstanding	12,401,159	12,401,159
Face value per equity share (₹)	10	10
(Loss)/Earning per share		
Basic	(3.23)	0.83
Diluted	(3.23)	0.83

**27 Capital and other commitments**

	As at 31 March 2021	As at 31 March 2020
a) Capital commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	27,804,678	

(b) Other commitment

The Company has entered into certain non cancellable agreements with parties, the cancellation of which will entail substantial monetary compensation except as disclosed in note 31



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For CHATHA FOODS (P) LTD.  
*[Signature]*  
DIRECTOR/ING. DIRECTOR



Chatha Foods Private Limited  
Notes to the financial statements for the year ended 31 March 2021  
(All amounts in ₹ unless stated otherwise)

12. Property, plant and equipment  
As at 31 March 2021

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2020	Additions during the year	Sales / adjustment during the year	As at 31 March 2021	As at 1 April 2020	Charge for the year	Sales / Adjustment during the year	As at 31 March 2021	As at 31 March 2020
<b>Property, plant and equipment</b>									
Land	3,175,597	-	-	3,175,597	-	-	-	3,175,597	3,175,597
Building	70,365,289	-	-	70,365,289	18,912,646	2,237,583	-	49,215,060	51,452,643
Plant and machinery	375,044,286	3,155,136	-	378,199,422	145,851,532	21,892,767	-	210,455,123	229,192,754
Furniture and fixtures	2,507,232	6,620	-	2,513,852	1,352,682	208,020	-	953,150	1,154,550
Office equipments	4,907,307	214,639	-	5,121,946	4,028,376	553,115	-	540,455	878,931
Vehicles	9,768,828	1,482,553	-	11,251,381	3,145,308	1,164,147	-	6,941,926	6,623,520
<b>Total</b>	<b>463,768,539</b>	<b>4,858,948</b>	<b>-</b>	<b>470,627,487</b>	<b>173,290,544</b>	<b>26,055,632</b>	<b>-</b>	<b>271,281,311</b>	<b>292,477,995</b>

As at 31 March 2020

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2019	Additions during the year	Sales / adjustment during the year	As at 31 March 2020	As at 1 April 2019	Charge for the year	Sales / Adjustment during the year	As at 31 March 2020	As at 31 March 2019
<b>Property, plant and equipment</b>									
Land	3,175,597	-	-	3,175,597	-	-	-	3,175,597	3,175,597
Building	70,256,019	109,270	-	70,365,289	16,685,651	2,226,995	-	51,452,643	53,570,368
Plant and machinery	354,450,540	26,081,746	5,488,000	375,044,286	125,452,784	20,628,242	229,494	229,192,754	228,997,756
Furniture and fixtures	1,872,456	634,776	-	2,507,232	1,205,117	147,565	-	1,154,550	667,339
Office equipments	4,245,054	662,253	-	4,907,307	3,668,597	359,779	-	878,931	576,457
Vehicles	9,768,828	-	-	9,768,828	1,989,908	1,155,400	-	6,623,520	7,778,920
<b>Total</b>	<b>443,768,494</b>	<b>27,488,045</b>	<b>5,488,000</b>	<b>465,768,539</b>	<b>149,002,057</b>	<b>24,517,981</b>	<b>229,494</b>	<b>292,477,995</b>	<b>294,766,437</b>



For CHATHA FOODS (P) LTD.

*[Signature]*  
DIRECTOR/MS DIRECTOR

28 Related party disclosures

A. Relationships

I. Entities which exercise significant influence over the Company

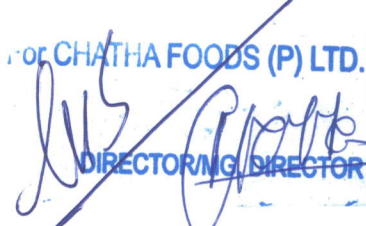
Rajasthan Asset Management Company Private Limited  
- SME Tech Fund

II. Key management personnel (KMP)

- a. Mr. Paramjit Singh Chatha (Managing Director)
- b. Mr. Gurpreet Singh Chatha (Director)
- c. Mr. Gurcharan Singh Gosal (Director)
- d. Mr. Iqbal Singh Chatha (Director)
- e. Mr. Harbhajan Singh Chatha (Director upto 11 September 2020)
- f. Mr. Ravi Mathur (Director)



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for CHATHA FOODS (P) LTD.  
  
DIRECTOR/MG/DIRECTOR

**Chatha Foods Private Limited**

**Notes to the financial statements for the year ended 31 March 2021**

(All amounts in ₹ unless stated otherwise)

**28 Related party disclosure**

The following transactions were carried out with related parties in the ordinary course of business for the year ended 31 March 2021 and 31 March 2020:

S No.	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
		Key Management Personnel	Key Management Personnel
1	<b>Reimbursement of expenses</b>		
	Mr. Paramjit Singh Chatha		369,126
	Mr. Gurcharan Singh Gosal	140,324	268,450
	Mr. Gurpreet Singh Chatha	66,402	59,649
2	<b>Sale of goods</b>		
	Mr. Paramjit Singh Chatha		9,667
	Mr. Gurcharan Singh Gosal	23,417	-
	Mr. Gurpreet Singh Chatha	37,426	-
3	<b>Rent paid</b>		
	Mr. Harbhajan Singh Chatha	15,415	-
4	<b>Salary paid</b>		
	Mr. Paramjit Singh Chatha		80,000
	Mr. Gurpreet Singh Chatha	5,458,065	6,593,425
	Mr. Gurcharan Singh Gosal	1,309,935	1,440,000
	Mr. Iqbal Singh Chatha	879,296	1,902,925
	Mr. Harbhajan Singh Chatha	-	105,500
		-	105,500

**Balances at the end of the year**

S No.	Particulars	Key Management Personnel	Key Management Personnel
1	<b>Advances against reimbursement</b>		
	Mr. Paramjit Singh Chatha		114,026
	Mr. Gurpreet Singh Chatha	-	1,401
2	<b>Expense payable</b>		
	Mr. Gurcharan Singh Gosal	-	700,000
3	<b>Salary payable</b>		
	Mr. Gurcharan Singh Gosal		3,727
	Mr. Gurpreet Singh Chatha	141,301	238,939
	Mr. Paramjit Singh Chatha	69,845	90,765
	Mr. Gurpreet Singh Chatha	117,507	79,006



For CHATHA FOODS (P) LTD.

DIRECTOR/MG. DIRECTOR



Chatha Foods Private Limited

Notes to the financial statements for the year ended 31 March 2021

(All amounts in ₹ unless stated otherwise)

29 Details of consumption of imported and indigenous raw materials, and stores and spares:

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Amount	Percentage	Amount	Percentage
<b>Raw material consumed</b>				
Imported				
Indigenous	363,162,652	100.00%	599,801,487	100.00%
	<b>363,162,652</b>	<b>100.00%</b>	<b>599,801,487</b>	<b>100.00%</b>
<b>Stores and spares consumed</b>				
Imported				
Indigenous	98,283,520	100.00%	11,854,898	100.00%
	<b>98,283,520</b>	<b>100.00%</b>	<b>11,854,898</b>	<b>100.00%</b>

30 Disclosures pursuant to section 186 of the Companies Act, 2013:

Particulars	As at 31 March 2021	As at 31 March 2020
a) Deposit to director	-	-
b) Balance as at the year end	-	-
c) Maximum amount outstanding at any time during the year	-	80,000

(The Company had paid security deposit in earlier year(s) for use of premises by the Company as registered office)



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For CHATHA FOODS (P) LTD.

DIRECTOR/MC DIRECTOR

Chatha Foods Private Limited

Notes to the financial statements for the year ended 31 March 2021

(All amounts in ₹ unless stated otherwise)

31 Leases

Operating leases

The Company is a lessee under a cancellable operating lease. Rental expense for operating lease for the years ended 31 March 2021 and 31 March 2020 was ₹ 9,193,451 and ₹ 8,505,839 respectively.

32 The Company's main business is the manufacturing of ready to eat meat products, which as per Accounting Standard – 17 on "Segment Reporting" as prescribed under Section 133 of the Companies Act, 2013 (the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) is considered to be the only reportable segment. The Company is primarily operating in India which is considered as a single geographical segment.

33 In view of the nationwide lockdown due to the COVID-19, the operations of many restaurants and commissaries have been affected temporarily in compliance with the directives/orders issued by the relevant authorities. Such lockdowns has adversely affected the financial performance of the Company during the financial year ended 31 March 2021. Subsequent to year end, the lockdowns/restrictions were re-imposed due to increase in number of infections which resulted in the second wave of COVID-19 that has also impacted the operations of the Company. Gradually the infections were controlled and relaxations were provided by the relevant authorities, the Company has resumed operations in compliance with the orders issued by the relevant authorities.

The Company has made detailed assessments of its liquidity position for the next one year considering the impacts of second wave on operations and of the recoverability of its assets comprising property, plant and equipment, inventories, receivables and other assets as at the balance sheet date and on the basis of evaluation, the management has concluded that no material adjustments is required in the financial statements. Further, in the case of inventory, management has carried out physical verification of substantial inventory lying at year end and has also reviewed the adequacy of provision for perishable inventory and is of the view that the Company will be able to consume all inventory within its shelf life. Management has also assessed that there are no events or conditions that impact the ability of the Company to continue as a going concern. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

34 During the year, the Company incurred loss of ₹ 40,038,841 and has accumulated losses amounting to ₹ 29,299,787 as at 31 March 2021. The management is confident about its ability to continue as a going concern based on its business plans. Accordingly, these financial statements have been prepared on a going concern basis.

35 Previous year figures have been regrouped/recasted, wherever considered necessary to make them comparable with those of the current year.

For Walker Chandiook & Co LLP  
Chartered Accountants



Sandeep Mehta  
Partner  
Membership No. 99410



UDIN - 21099410 AAAA PG 4987


For and on behalf of the Board of Directors of  
Chatha Foods Private Limited

For CHATHA FOODS (P) LTD.

Paramjit Singh Chatha  
Managing Director  
(DIN No: 1154225)



DIRECTOR/MG DIRECTOR Gosal  
Director  
(DIN No: 1389179)



Navit Kumar  
Company Secretary  
(Membership No: ACS49282)

Place: Chandigarh  
Date: 30 November 2021

Place: Chandigarh  
Date: 30 November 2021