

# Walker ChandioK & Co LLP

## 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 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and its cash flows for the year ended on that date.

### Basis for Opinion

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 Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Chartered Accountants

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Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41 Connaught Circus, Outer Circle, 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 Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either 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 specified under section 143(10) of the Act, 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 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;



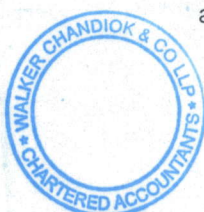


- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an 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 litigations which would impact its financial position as at 31 March 2023;
    - 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 2023;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
    - iv.
      - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 35 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall,





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whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 35 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sandeep Mehta**

Partner

Membership No.: 099410

UDIN: 23099410BGYGTF8855



**Place:** Chandigarh

**Date:** 08 September 2023



## Annexure I referred to in Paragraph 12 of 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 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 12 to the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in note 8 to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore by bank based on security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.





**Annexure I referred to in Paragraph 12 of 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 2023**

- (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 and services. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us including confirmation received from bank and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
  - (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
  - (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilized for long term purposes.
  - (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

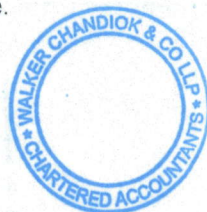




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## **Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Chatha Foods Private Limited on the financial statements for the year ended 31 March 2023**

- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Accounting Standard (AS) 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2021 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



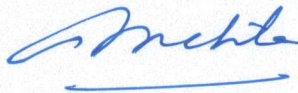


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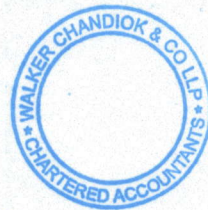
**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Chatha Foods Private Limited on the financial statements for the year ended 31 March 2023**

- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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



**Sandeep Mehta**  
Partner  
Membership No.: 099410  
UDIN: 23099410BGYGTF8855



**Place:** Chandigarh  
**Date:** 08 September 2023



## **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 2023**

### **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 2023, 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**

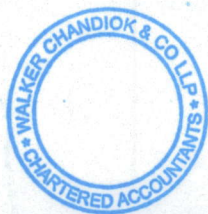
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company after considering the essential components of internal control stated in the 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 Institute of Chartered Accountants of India (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 on Audit of Internal Financial Controls Over Financial Reporting ('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





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financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 2023, based on internal financial controls with reference to financial statements criteria established by the Company after considering the essentials components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

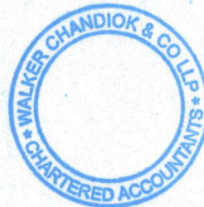
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**Sandeep Mehta**

Partner

Membership No.: 099410

UDIN: 23099410BGYGTF8855



Place: Chandigarh

Date: 08 September 2023



**Chatha Foods Private Limited**

**Balance Sheet as at 31 March 2023**

(All amounts are in ₹ lakhs unless stated otherwise)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital			
Reserves and surplus	3	1,240.12	1,240.12
<b>Total equity</b>	4	934.99	689.81
		<b>2,175.11</b>	<b>1,929.93</b>
<b>Non-current liabilities</b>			
Long-term borrowings			
Deferred tax liabilities (net)	5	166.19	385.57
Long-term provisions	6	277.21	185.40
<b>Total non-current liabilities</b>	7	180.53	136.18
		<b>623.93</b>	<b>707.15</b>
<b>Current liabilities</b>			
Short-term borrowings			
Trade payables	8	894.00	715.76
Total outstanding dues of micro enterprises and small enterprises	9		
Total outstanding dues of creditors other than micro enterprises and small enterprises		101.68	88.55
		1,037.53	933.42
Other current liabilities	10	285.92	408.75
Short-term provisions	11	23.75	46.75
<b>Total current liabilities</b>		<b>2,342.88</b>	<b>2,193.23</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,141.92</b>	<b>4,830.31</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	2,869.50	3,083.68
Long-term loans and advances	13	307.71	278.84
Other non-current assets	14	28.66	-
<b>Total non-current assets</b>		<b>3,205.87</b>	<b>3,362.52</b>
<b>Current assets</b>			
Inventories	15	916.87	668.27
Trade receivables	16	959.24	754.66
Cash and bank balances	17	16.04	8.58
Short-term loans and advances	18	43.90	36.28
<b>Total current assets</b>		<b>1,936.05</b>	<b>1,467.79</b>
<b>TOTAL ASSETS</b>		<b>5,141.92</b>	<b>4,830.31</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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Sandeep Mehta*

**Sandeep Mehta**

Partner

Membership No. 99410

UDIN: 23099410BGYGTF8855



For and on behalf of the Board of Directors of

Chatha Foods Private Limited

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

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

**Nidhi**

Company Secretary

(Membership No: A54066)

Place: Chandigarh

Date: 8th September, 2023



**Chatha Foods Private Limited**

**Statement of Profit and Loss for the year ended 31 March 2023**

(All amounts are in ₹ lakhs unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue</b>			
Revenue from operations	19	11,722.77	8,733.41
Other income	20	1.46	6.90
<b>Total revenue</b>		<b>11,724.23</b>	<b>8,740.31</b>
<b>Expenses</b>			
Cost of materials consumed	21	8,882.29	6,276.09
Changes in inventories of finished goods and work-in-progress	22	(204.09)	(64.00)
Employee benefits expenses	23	1,059.87	903.10
Finance costs	24	97.41	80.92
Depreciation expense	25	274.54	260.69
Other expenses	26	1,277.21	1,179.30
<b>Total expenses</b>		<b>11,387.23</b>	<b>8,636.10</b>
<b>Profit before tax</b>		<b>337.00</b>	<b>104.21</b>
<b>Tax expense</b>			
Current tax		55.91	17.73
Deferred tax		91.81	36.97
Minimum Alternate Tax (MAT) credit entitlement		(55.91)	(17.73)
<b>Profit after tax</b>		<b>245.20</b>	<b>67.24</b>
Earning per equity share (₹)			
Basic (₹)	27	1.98	0.54
Diluted (₹)		1.98	0.54

**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 Chandio & Co LLP**

Chartered Accountants

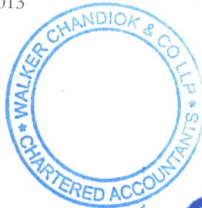
Firm's Registration No.: 001076N/N500013



**Sandeep Mehta**

Partner

Membership No. 99410



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



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



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



**Nidhi**  
Company Secretary  
(Membership No: A54066)

Place: Chandigarh

Date: 8th September, 2023



**Chatha Foods Private Limited**

**Cash Flow Statement for the year ended 31 March 2023**

(All amounts are in ₹ lakhs unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	337.00	104.21
<b>Adjustments for:</b>		
Depreciation	274.54	260.69
Loss on sale of property, plant and equipment (net)	27.62	15.71
Interest income	(1.46)	(6.90)
Interest expense	97.41	80.92
<b>Operating profit before operating capital changes</b>	<b>735.11</b>	<b>454.63</b>
<b>Adjustments for movement in:</b>		
Increase in long-term provisions	44.34	19.31
Increase in trade payables	117.24	174.00
(Decrease)/Increase in other current liabilities	(42.37)	3.38
(Decrease)/Increase in short-term provisions	(28.18)	7.62
Decrease in long-term loans and advances	28.57	236.80
Increase in inventories	(248.60)	(237.34)
Increase in trade receivables	(204.70)	(101.69)
Increase in other non-current assets	(28.66)	-
(Increase)/ decrease in short-term loans and advances	(7.62)	21.18
<b>Cash generated from operating activities before taxes</b>	<b>365.13</b>	<b>577.89</b>
Income taxes paid (including advance tax, TDS and TCS)	(50.61)	(14.88)
<b>Net cash generated from operating activities (A)</b>	<b>314.52</b>	<b>563.01</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment (including creditors for capital expenditure and capital advances)	(222.26)	(527.19)
Proceeds from sale of property, plant and equipment	51.32	-
Investment in bank deposits [having original maturity of more than three months but less than twelve months]	(0.36)	-
Interest received	1.46	6.91
<b>Net cash utilized in investing activities (B)</b>	<b>(169.84)</b>	<b>(520.28)</b>
<b>C. Cash flow from financing activities:</b>		
Repayment of long-term borrowings	(219.39)	(80.81)
Proceeds from short-term borrowings (net)	178.25	118.90
Interest paid	(96.44)	(81.74)
<b>Net cash utilized in financing activities (C)</b>	<b>(137.58)</b>	<b>(43.65)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>7.10</b>	<b>(0.91)</b>
Opening cash and cash equivalents [Refer note (d) below]	2.22	9.49
<b>Closing cash and cash equivalents</b>	<b>9.32</b>	<b>8.58</b>





**Chatha Foods Private Limited****Cash Flow Statement for the year ended 31 March 2023**

(All amounts are in ₹ lakhs 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 of the Companies (Accounts Standards) Rules, 2021.

(b) Figures in brackets indicate cash outflow.

	For the year ended 31 March 2023	For the year ended 31 March 2022
c) Cash and cash equivalents include:		
Cash in hand		
Balances with banks	0.87	2.21
in current account		
Cash and cash equivalents	8.45	0.01
	9.32	2.22
Other bank balance*		
Deposit with maturity more than 3 months but less than 12 months	6.72	6.36
Cash and bank balances	16.04	8.58

\*Other bank balance includes ₹ 6.72 lakhs (previous year ₹ 6.34 lakhs) which are restricted and not available for use.

(d) For the year ended 31 March 2023, opening cash and cash equivalents does not include opening balance of "Other bank balance" amounting to Rs. 6.36 lakhs and increase in other bank balance amounting to Rs. 0.36 lakhs is classified as "Investing Activity". For the year ended 31 March 2022, opening cash and cash equivalents includes balance of "Other bank balance" amounting to Rs. 1.30 lakhs and increase in other bank balance amounting to Rs. 5.06 lakhs is not classified as "Investing Activity".

**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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sandeep Mehta**

Partner

Membership No. 99410

**For and on behalf of the Board of Directors of**

Chatha Foods Private Limited

  
**Paramjit Singh Chatha**  
Managing Director  
(DIN No: 1154225)  
**Nidhi**  
Company Secretary  
(Membership No: A54066)  
**Gurcharan Singh Gosal**  
Director  
(DIN No: 1389179)

Place: Chandigarh

Date: 8th September, 2023



# Chatha Foods Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

## 1. Background and nature of operations

Chatha Foods Private Limited (the "Company") incorporated in 1997 with registered office situated at 272, Mota Singh Nagar, Jalandhar, Punjab, IN.

The Corporate identification number of the company is U15310PB1997PTC020578.

The Company is engaged in the business of food processing in India. It is a leading frozen and ready to eat meat and vegan foods manufacturer and retails an array of ready to eat and frozen meat and vegan products under the brand "Swiss Naturen" and "The Field Grill". 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 Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting pronouncements of The Institute of Chartered Accountants of India.

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

### b. Use of estimates

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

### c. Revenue recognition

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

### d. Property, plant and equipment

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

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





## Chatha Foods Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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

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

### e. Depreciation

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

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

### f. Inventories

Inventories are valued as follows:

- 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 written down below cost only when both raw material net realizable value and the finished goods in which they will be incorporated are expected to be sold below cost.
- 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 fund, being a defined contribution plan, is recognized in the statement of profit and loss in the financial year to which it relates.





## Chatha Foods Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

### Defined benefit plan

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

### Other long-term liability

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

### Actuarial gains/losses

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

### h. Accounting for taxes on income

Tax expense comprises current tax and deferred income tax.

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

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

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

### i. Earnings per share

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

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

### j. Leases

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





## Chatha Foods Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

### k. Provisions and contingent liabilities

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

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

### l. Impairment of assets

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

### m. Cash and bank balances

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

*(This space has been intentionally left blank)*





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 2023		As at 31 March 2022	
Number of shares	Amount	Number of shares	Amount
1,30,00,000	1,300.00	1,30,00,000	1,300.00
1,24,01,159	1,240.12	1,24,01,159	1,240.12
1,24,01,159	1,240.12	1,24,01,159	1,240.12

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  
Balance at the end of the year

Number of shares	Amount	Number of shares	Amount
1,24,01,159	1,240.12	1,24,01,159	1,240.12
1,24,01,159	1,240.12	1,24,01,159	1,240.12

c. Shareholders holding more than 5 % of Share Capital

Particulars	As at 31 March 2023			As at 31 March 2022		
	No. of shares	%	% change during the year	No. of shares	%	% change during the year
Equity shares of ₹ 10 each						
Mr. Paramjit Singh Chatha	18,77,500	15.14%	-	18,77,500	15.14%	-
Mr. Iqbal Singh Chatha	18,77,500	15.14%	-	18,77,500	15.14%	-
Mr. Gurpreet Singh Chatha	18,77,500	15.14%	-	18,77,500	15.14%	-
Mr. Gurcharan Singh Gosal	24,65,600	19.88%	-	24,65,600	19.88%	-
SME Tech Fund [refer note (d) below]	38,44,359	31.00%	-	38,44,359	31.00%	-

d. Subsequent to 31 March 2023, SME tech fund has transferred its shares to existing and new shareholders via share purchase agreement dated 11 July 2023. The Company has no financial obligation.

e. Shares issued for consideration other than cash

There are no shares reserved for issue under options and contracts/commitments. Further, there are no shares that have been allotted during last 5 years pursuant to a contract without payment being received in cash, or by way of bonus shares or shares bought back.

f. Shares held by promoters at the end of year

Particulars	As at 31 March 2023			As at 31 March 2022		
	No. of shares	%	% change during the year	No. of shares	%	% change during the year
Equity shares of ₹ 10 each						
Mr. Paramjit Singh Chatha	18,77,500	15.14%	-	18,77,500	15.14%	-
Mr. Iqbal Singh Chatha	18,77,500	15.14%	-	18,77,500	15.14%	-
Mr. Gurpreet Singh Chatha	18,77,500	15.14%	-	18,77,500	15.14%	-
Mr. Gurcharan Singh Gosal	24,65,600	19.88%	-	24,65,600	19.88%	-

4 Reserves and surplus

Securities premium

Balance at the beginning and end of the year

Surplus/(Deficit) 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 2023	As at 31 March 2022
915.56	915.56
915.56	915.56
(225.76)	(293.00)
245.20	67.24
19.44	(225.76)
934.99	689.81

5 Long-term borrowings (secured)

Term loans  
from bank [refer note 5]

Vehicle loans  
from Non-banking finance company (NBFC) [refer note 5]

As at 31 March 2023	As at 31 March 2022
166.19	378.33
-	7.24
166.19	385.57





Chatha Foods Private Limited

Notes to the financial statements for the year ended 31 March 2023

(All amounts are in ₹ lakhs unless stated otherwise)

5. Details of security and terms of repayment of term loans

Nature of loan	Lender	As at				Interest rate	Tenure of repayment	Nature of securities
		31 March 2023		31 March 2022				
		Non-Current	Current	Non-Current	Current			
Term loan	Kotak Mahindra Bank	155.17	34.39	188.59	35.08	Repo Rate + 4.5% (previous year repo rate + 4.5%)	The loan is payable in 68 equal monthly installments of ₹ 4.28 lacs & last installment of ₹ 21.53 lacs	- First and exclusive charge on all present and future current assets and fixed assets of the borrower - Extension of equitable mortgage of the following properties: - Residential property number 273 situated at Master Mota Singh Nagar, Jalandhar owned by Iqbal Singh and Manjit Singh s/o Hari 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 khata number 35/124 village Chaudheri, tehsil derabassi owned by the Company - Industrial property owned in Kartarpur by Mr. Paramjit Singh Chatha - The term loan is also secured by personal guarantee of Iqbal Singh Chatha, Gurpreet Singh Chatha, Gurpreet Singh Chatha, Paramjit Singh Chatha, Gurcharan Singh and Manjit Singh.
Working capital term loan	Kotak Mahindra Bank	11.02	55.64	66.66	51.38	Repo Rate + 4.5% (previous year repo rate + 4.5%)	48 equal monthly installments of ₹ 4.91 lacs	
Working capital term loan	Kotak Mahindra Bank	-	123.35	123.08	144.73	Repo Rate + 4.5% (previous year repo rate + 4.5%)	69 equal monthly installments of ₹ 13.41 lacs and last installment of ₹ 7.11 lacs.	
Vehicle loan	Kotak Mahindra Prime Limited	-	3.95	3.95	6.31	Range of 10% p.a. to 14% p.a. (previous year range of 10% p.a. to 14% p.a.)	60 equal monthly installments of ₹ 0.58 lacs	Against hypothecation of specific vehicles purchased out the proceeds of loans
Vehicle loan	Kotak Mahindra Prime Limited	-	3.29	3.29	3.34	Range of 10% p.a. to 14% p.a. (previous year range of 10% p.a. to 14% p.a.)	36 equal monthly installments of ₹ 0.31 lacs	
		166.19	220.62	385.56	240.84			





6 Deferred tax liabilities (net)

Deferred tax liabilities arising on account of:

Timing difference on depreciation of property, plant and equipment

Deferred tax assets arising on account of:

Provision for employee benefits

Provision for bonus

Unabsorbed depreciation

Deferred tax liabilities (net)

As at 31 March 2023	As at 31 March 2022
367.18	374.37
367.18	374.37
55.27	42.89
8.23	7.40
26.47	138.68
89.97	188.97
277.21	185.40

7 Long-term provisions

Provision for gratuity [refer note 7 (a)]

Provision for compensated absences [refer note 7 (b)]

As at 31 March 2023	As at 31 March 2022
131.16	99.09
49.37	37.09
180.53	136.18

7(a) Provision for gratuity

The company has a defined benefit gratuity plan which is unfunded. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The liability of gratuity is recognized on the basis of actuarial valuation. The Company expects to pay Rs. 25.94 lakhs (previous year Rs. 21.27 lakhs) in contribution to its defined benefit plans in 2023-24.

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

Particulars

Actuarial assumptions

Discount rate

Salary growth rate

Mortality rate

Withdrawal rates

As at 31 March 2023	As at 31 March 2022
7.50%	7.25%
6.00%	6.00%
IALM 2012-14	IALM 2012-14
5%	5%

Change in the present value of obligation:

Present value of obligation as at the beginning of the year

Interest cost

Current service cost

Benefits paid

Actuarial gain/(loss) on obligation

Present value of obligation as at the end of the year\*

\* includes short term provision of ₹ 13.01 lakhs (previous year ₹ 13.27 lakhs).

As at 31 March 2023	As at 31 March 2022
112.35	95.66
8.14	6.94
18.84	15.76
(7.33)	(1.70)
12.17	(4.30)
144.17	112.36

Expense recognized in the statement of profit and loss:

Current service cost

Interest cost

Net actuarial gain recognized in the year

Total expense recognized in the statement of profit and loss

As at 31 March 2023	As at 31 March 2022
18.84	15.76
8.14	6.94
12.17	(4.30)
39.15	18.40

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**Chatha Foods Private Limited**

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ lakhs 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.

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

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	144.17	112.36	95.66	88.17	65.27
Experience adjustment arising on the gratuity benefit	14.22	(2.33)	8.33	(3.63)	1.57

**7(b) Provision for compensated absences**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Actuarial assumptions</b>		
Discount rate		
Salary growth rate	7.50%	7.25%
Mortality rate	6.00%	6.00%
Withdrawal rates	IALM 2012-14 5%	IALM 2012-14 5%

**8 Short-term borrowings**

**Secured**

Loans repayable on demand

Cash credit from bank [refer note (a) and (b) below]

Working capital loan from bank [refer note (a) and (b) below]

Current maturities of long-term borrowings [refer note 5]

	As at 31 March 2023	As at 31 March 2022
	403.38	407.42
	270.00	67.50
	220.62	240.84
	<b>894.00</b>	<b>715.76</b>

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

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

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

Cash credit from Kotak Mahindra bank amounting to ₹ 403.38 lacs (previous year ₹ 407.42 lacs) carrying interest rate 3.25% over the Repo rate (previous year 4.25% over the Repo rate).

Secured working capital loan from Kotak Mahindra Bank amounting to ₹ 270.00 lacs (previous year ₹ 67.50 lacs) carrying interest rate 3.25% over the Repo rate (previous year 8%) repayable in three months.

c. The Company has been sanctioned working capital limits in excess of five crore rupees by bank on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with bank is in agreement with the books of accounts.

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**Chatha Foods Private Limited**  
**Notes to the financial statements for the year ended 31 March 2023**  
(All amounts are in ₹ lakhs unless stated otherwise)

**9 Trade payables**

Total outstanding dues of micro enterprises and small enterprises  
Total outstanding dues of creditors other than micro enterprises and small enterprises

Note:

(a) For the year ended 31 March 2023, expenses payable amounting to Rs. 146.23 lakhs is classified under "Trade Payables" and for the year ended 31 March 2022, expenses payable amounting to Rs. 101.13 lakhs is classified under "Other current liabilities".

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

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

Principal amount remaining unpaid as at the end of the accounting year  
Interest accrued and due thereon remaining unpaid  
Interest paid by the Company in terms of service 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year

Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006.

Interest accrued and remaining unpaid as at the end of the year  
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.

	As at 31 March 2023	As at 31 March 2022
	101.68	88.55
	1,037.53	933.42
	<b>1,139.21</b>	<b>1,021.97</b>

	As at 31 March 2023	As at 31 March 2022
	92.38	85.83
	6.58	1.54
	-	-
	-	-
	9.30	2.72
	-	-

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

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises	-	72.05	29.63	-	-	-	-	101.68
Others	-	691.68	345.12	0.67	0.06	-	-	1,037.53
<b>Total</b>	-	<b>763.73</b>	<b>374.75</b>	<b>0.67</b>	<b>0.06</b>	<b>0.00</b>	-	<b>1,139.21</b>

**Ageing schedule as at 31 March 2022\*:**

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Micro and small enterprises	-	47.65	40.90	-	-	-	-	88.55
Others	-	658.15	258.21	0.96	15.72	0.38	-	933.42
<b>Total</b>	-	<b>705.80</b>	<b>299.11</b>	<b>0.96</b>	<b>15.72</b>	<b>0.38</b>	-	<b>1,021.97</b>

\* There are no disputed dues.

**10 Other current liabilities**

Income received in Advance  
Creditors for capital expenditure  
Statutory dues  
Interest accrued but not due on borrowings  
Expenses payable [refer note 9(a) above]  
Employee related payables [refer note (a) and (b) below and note 28]

Notes:

(a) Salary payable to KMPs  
Mr. Paramjit Singh Chatha  
Mr. Gurcharan Singh Gosal  
Mr. Gurpreet Singh Chatha

	As at 31 March 2023	As at 31 March 2022
	1.68	1.74
	94.11	175.54
	91.65	66.84
	3.69	2.72
	-	101.13
	94.79	60.78
	<b>285.92</b>	<b>408.75</b>
	3.64	1.77
	0.70	0.70
	0.99	0.94

(b) For the year ended 31 March 2023, provision for bonus amounting to Rs. 29.58 lakhs is classified under "Other current liabilities" as "Employee related payables" and for the year ended 31 March 2022, provision for bonus amounting to Rs. 25.89 lakhs is classified under "Short-term provisions".

**11 Short-term provisions**

Provision for gratuity [refer note 7(a)]  
Provision for income tax (net of advance tax)  
Provision for compensated absences [refer note 7(b)]  
Provision for bonus [refer note below]

Note:

For the year ended 31 March 2023, provision for bonus amounting to Rs. 29.58 lakhs is classified under "Other current liabilities" as "Employee related payables" and for the year ended 31 March 2022, provision for bonus amounting to Rs. 25.89 lakhs is classified under "Short-term provisions".

	As at 31 March 2023	As at 31 March 2022
	13.01	13.27
	5.61	2.87
	5.13	4.72
	-	25.89
	<b>23.75</b>	<b>46.75</b>

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12 Property, plant and equipment (PPE):

Particulars	Land	Plant and Equipment	Office equipment	Furniture and Fixtures	Vehicles	Building	Total
<b>Gross Block</b>							
Balance as at 31 March 2021	31.76	3,781.99	51.22	25.14	112.51	703.65	4,706.27
Additions	-	572.34	5.15	0.99	-	98.78	677.26
Disposals	-	(74.50)	-	-	-	-	(74.50)
<b>Balance as at 31 March 2022</b>	<b>31.76</b>	<b>4,279.83</b>	<b>56.37</b>	<b>26.13</b>	<b>112.51</b>	<b>802.43</b>	<b>5,309.03</b>
Additions	-	129.66	8.77	0.87	-	-	139.30
Disposals	-	(113.63)	-	-	-	-	(113.63)
<b>Balance as at 31 March 2023</b>	<b>31.76</b>	<b>4,295.86</b>	<b>65.14</b>	<b>27.00</b>	<b>112.51</b>	<b>802.43</b>	<b>5,334.70</b>
<b>Accumulated depreciation</b>							
Balance as at 31 March 2021	-	1,677.44	45.81	15.61	43.09	211.50	1,993.45
Depreciation charge	-	219.79	2.54	1.48	12.49	24.39	260.69
Disposals	-	(28.79)	-	-	-	-	(28.79)
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>1,868.44</b>	<b>48.35</b>	<b>17.09</b>	<b>55.58</b>	<b>235.89</b>	<b>2,225.35</b>
Depreciation charge	-	231.18	3.56	1.30	13.12	25.38	274.54
Disposals	-	(34.69)	-	-	-	-	(34.69)
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>2,064.93</b>	<b>51.91</b>	<b>18.39</b>	<b>68.70</b>	<b>261.27</b>	<b>2,465.20</b>
<b>Net block as at 31 March 2022</b>	<b>31.76</b>	<b>2,411.39</b>	<b>8.02</b>	<b>9.04</b>	<b>56.93</b>	<b>566.54</b>	<b>3,083.68</b>
<b>Net block as at 31 March 2023</b>	<b>31.76</b>	<b>2,230.93</b>	<b>13.23</b>	<b>8.61</b>	<b>43.81</b>	<b>541.16</b>	<b>2,869.50</b>

Notes:

(a) Refer note 5 for information on PPE pledged as security by the Company.

(b) The Company has not revalued its Property, Plant and Equipment during the year. Further, the Company does not hold any intangible assets.





**Chatha Foods Private Limited**  
**Notes to the financial statements for the year ended 31 March 2023**  
(All amounts are in ₹ lakhs unless stated otherwise)

**13 Long-term loans and advances**

(unsecured considered good, unless otherwise stated)

Security deposit [Refer note (a) below]

Capital advance

Minimum Alternate Tax (MAT) credit entitlement [refer note (b) below]

Note:

(a) For the year ended 31 March 2023, security deposits amounting to Rs. 28.66 lakhs is classified under "Other non-current assets" and for the year ended 31 March 2022, security deposits amounting to Rs. 28.58 lakhs is classified under "Long-term loans and advances".

(b) Minimum alternate tax (MAT) credit entitlement

Balance at the beginning of year

Add: MAT credit entitlement created during the year

Balance at the end of year

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

As at 31 March 2023	As at 31 March 2022
-	28.58
1.63	0.09
306.09	250.17
<b>307.71</b>	<b>278.84</b>

250.17	232.44
55.91	17.73
<b>306.09</b>	<b>250.17</b>

**14 Other non-current assets**

(unsecured considered good, unless otherwise stated)

Security deposits\*

\* Refer note 13(a) above.

As at 31 March 2023	As at 31 March 2022
28.66	-
<b>28.66</b>	<b>-</b>

**15 Inventories**

(valued at cost or net realisable value, whichever is lower)

Raw materials including packaging materials

Work-in-progress

Finished goods

Stores, spares and other consumables

As at 31 March 2023	As at 31 March 2022
424.31	373.38
29.11	10.20
437.71	252.53
25.74	32.16
<b>916.87</b>	<b>668.27</b>

**16 Trade receivables**

(unsecured considered good, unless otherwise stated)

-Considered good

Less: Provision for doubtful debts

As at 31 March 2023	As at 31 March 2022
959.24	754.66
959.24	754.66
-	-
<b>959.24</b>	<b>754.66</b>

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

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	897.31	60.28	1.36	0.29	-	-	959.24
<b>Total</b>	-	<b>897.31</b>	<b>60.28</b>	<b>1.36</b>	<b>0.29</b>	<b>-</b>	<b>-</b>	<b>959.24</b>

**Ageing schedule as at 31 March 2022:**

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	641.78	99.55	3.38	5.73	4.22	-	754.66
<b>Total</b>	-	<b>641.78</b>	<b>99.55</b>	<b>3.38</b>	<b>5.73</b>	<b>4.22</b>	<b>-</b>	<b>754.66</b>

Notes:

(a) There are no disputed dues as on 31 March 2023 and 31 March 2022.

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

**17 Cash and bank balances**

Cash and cash equivalents

Cash in hand

Balances with banks

in current account

Other bank balances:

Deposit with maturity more than 3 months but less than 12 months \*

\*Includes ₹ 6.72 lacs (previous year ₹ 6.34 lacs) which are restricted and not available for use.

As at 31 March 2023	As at 31 March 2022
0.87	2.21
8.45	0.01
9.32	2.22
6.72	6.36
<b>16.04</b>	<b>8.58</b>

**18 Short-term loans and advances**

(Unsecured, considered good)

Advances to suppliers

Prepaid expenses

Advances to employees

Note:

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

As at 31 March 2023	As at 31 March 2022
19.66	14.66
5.59	5.86
18.65	15.76
<b>43.90</b>	<b>36.28</b>



**Chatha Foods Private Limited**

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ lakhs unless stated otherwise)

**19 Revenue from operations**

Sale of products  
Sale of services

**Note:**

For the year ended 31 March 2023, sale of services amounts to Rs. 305.15 lakhs and for the year ended 31 March 2022, sale of products includes sale of services amounting to Rs. 162.50 lakhs.

For the year ended 31 March 2023	For the year ended 31 March 2022
11,417.62	8,733.41
305.15	-
<b>11,722.77</b>	<b>8,733.41</b>

**20 Other income**

Interest income:  
on deposit with electricity department  
bank

For the year ended 31 March 2023	For the year ended 31 March 2022
0.98	0.82
0.48	6.08
<b>1.46</b>	<b>6.90</b>

**21 Cost of materials consumed**

Opening stock  
Raw material  
Stores, spares and other consumables [Refer note (a) below]

Add: Purchases made during the year [Refer note (b) below]

Less: Closing stock  
Raw material  
Stores, spares and other consumables [Refer note (a) below]

For the year ended 31 March 2023	For the year ended 31 March 2022
373.38	219.83
-	12.83
8,933.22	6,448.97
9,306.60	6,681.63
424.31	373.38
-	32.16
<b>8,882.29</b>	<b>6,276.09</b>

**Notes:**

(a) For the year ended 31 March 2023, adjustment of opening stock of Rs. 32.16 lakhs and closing stock of Rs. 25.74 lakhs amounting to Rs. 6.42 lakhs is classified under "Other expenses" as "Miscellaneous expenses" and for the year ended 31 March 2022, adjustment of opening stock of Rs. 12.83 lakhs and closing stock of Rs. 32.16 lakhs is classified under "Cost of materials consumed".

(b) For the year ended 31 March 2023, freight inwards amounting to Rs. 172.59 lakhs is classified under "Purchases made during the year" and for the year ended 31 March 2022, freight inwards amounting to Rs. 123.75 lakhs is classified under "Other expenses" as "Freight and Forwarding".

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

Opening stock  
Work-in-progress  
Finished goods

Closing stock  
Work-in-progress  
Finished goods

For the year ended 31 March 2023	For the year ended 31 March 2022
10.20	22.46
252.53	175.80
29.11	10.20
437.71	252.53
<b>(204.09)</b>	<b>(64.00)</b>

**23 Employee benefits expense**

Salaries, wages and bonus  
Contribution to provident and other funds  
Gratuity expenses  
Staff welfare expenses

For the year ended 31 March 2023	For the year ended 31 March 2022
869.48	762.68
77.89	55.12
39.15	18.39
73.35	66.91
<b>1,059.87</b>	<b>903.10</b>

**24 Finance costs**

Interest on  
Banks  
Others

For the year ended 31 March 2023	For the year ended 31 March 2022
89.89	80.37
7.52	0.55
<b>97.41</b>	<b>80.92</b>





**Chatha Foods Private Limited**  
**Notes to the financial statements for the year ended 31 March 2023**  
(All amounts are in ₹ lakhs unless stated otherwise)

**25 Depreciation expense**

Depreciation (refer note 12)

For the year ended 31 March 2023	For the year ended 31 March 2022
274.54	260.69
<b>274.54</b>	<b>260.69</b>

**26 Other expenses**

Insurance  
Rent  
Freight and forwarding [refer note 21(b) above]  
Rates and taxes  
Legal and professional [refer note below]  
Advertisement and publicity  
Power, fuel and water charges  
Repair and maintenance - Plant and machinery  
Effluent treatment plant- maintenance expenses  
Travelling and conveyance  
Loss on sale/disposal of property, plant and equipment  
Bad debts written off  
Quality control and quality assurance  
Warehousing expenses  
Security expenses  
Miscellaneous expenses [refer note 21(a) above]

For the year ended 31 March 2023	For the year ended 31 March 2022
10.28	10.25
13.17	18.06
62.01	168.26
7.43	15.86
54.57	39.55
55.22	88.71
358.57	292.72
138.91	125.69
38.51	34.59
65.46	46.94
27.62	15.71
21.38	-
141.02	144.69
139.89	87.88
51.61	47.01
91.56	43.38
<b>1,277.21</b>	<b>1,179.30</b>

Note:

Includes payment to auditors excluding goods and service tax:

Statutory audit fee

Tax audit fee

Reimbursement of expenses

14.50	11.50
1.50	1.00
0.39	0.24
<b>16.39</b>	<b>12.74</b>

**27 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 the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. Earnings per Share (EPS) is determined based on the net profit attributable to the shareholders'. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Profit after tax (₹ in lakhs)  
Weighted average number of equity shares outstanding  
Face value per equity share (₹)  
Earning per share  
Basic  
Diluted

For the year ended 31 March 2023	For the year ended 31 March 2022
245.20	67.24
124.01	124.01
10.00	10.00
1.98	0.54
1.98	0.54

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**Chatha Foods Private Limited**

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ lakhs unless stated otherwise)

**28 Related party disclosure**

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

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

Description of relationship	Name of the Party
A Entities which exercise significant influence over the Company	Rajasthan Asset Management Company Private Limited - SME Tech Fund
B Key management personnel	Mr. Paramjit Singh Chatha Mr. Gurpreet Singh Chatha Mr. Gurcharan Singh Gosal Mr. Iqbal Singh Chatha Mr. Ravi Mathur (resigned w.e.f. 15.07.2023) Mr. Navit Kumar (resigned w.e.f. 31.07.2023) Miss. Nidhi (joined w.e.f. 01.08.2023)
C Relatives of Key Managerial Persons	Mrs. Gurpal Gosal

**II Transactions during the year**

The following transactions were carried out with related parties in the ordinary course of business for the year ended 31 March 2023 and 31 March 2022. With respect to the key management personnel and other related parties, disclosure has been given for those related parties with whom the company has made transactions during the year.

S No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1	<b>Reimbursement of expenses</b>		
	Mr. Paramjit Singh Chatha	2.44	0.23
	Mr. Gurcharan Singh Gosal	1.83	1.18
	Mr. Navit Kumar	-	0.60
2	<b>Sale of goods</b>		
	Mr. Paramjit Singh Chatha	-	0.22
	Mr. Gurcharan Singh Gosal	-	0.21
	Mr. Gurpreet Singh Chatha	0.34	0.55
3	<b>Salary paid</b>		
	Mr. Paramjit Singh Chatha	37.50	30.00
	Mr. Gurpreet Singh Chatha	14.40	14.40
	Mr. Gurcharan Singh Gosal	9.67	9.67
	Mrs. Gurpal Gosal	7.62	7.62
	Mr. Navit Kumar	3.25	4.01

**III Balance at the end of the year**

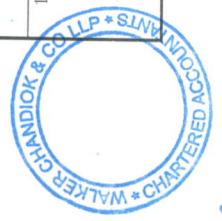
S No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1	<b>Salary payable</b>		
	Mr. Paramjit Singh Chatha	3.64	1.77
	Mr. Gurcharan Singh Gosal	0.70	0.70
	Mr. Gurpreet Singh Chatha	0.99	0.94





29 Financial Ratios

S No.	Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Change	Remarks where change more than 25%
1	Current ratio	Times	Current assets	Current liabilities	Ratio	Ratio		
2	Debt-equity ratio	Times	Total debt	Total equity	0.83	0.67	23.48%	
3	Debt service coverage ratio	Times	[Long-term borrowings + Short-term borrowings] Earnings for debt service = Profit after tax + Non-cash operating expenses (Depreciation and amortisation expense + Impairment of trade receivables Advances and other balances written off + Impairment loss on property, plant and equipment) + Finance cost (excluding interest on lease liabilities) + Loss on disposal of property, plant and equipment (net) + Share based payment expenses + Loss on sale of bonds	Interest & Lease Payments + Principal Repayments	0.49	0.57	-14.59%	
4	Return on equity ratio	Percentage	Profit after tax	Total equity	1.98	2.55	-22.63%	
5	Inventory turnover ratio	Times	Cost of goods sold	Average inventories	11.27%	3.48%	223.57%	The increase is primarily attributable to the increase in profit after tax amounting to Rs. 245.20 lakhs during the current year as compared to Rs. 67.24 lakhs during the previous year.
6	Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	10.95	11.30	-3.13%	
7	Trade payables turnover ratio	Times	Purchases	Average trade payables	13.68	12.41	10.24%	
8	Net capital turnover ratio	Times	Revenue from operations	Working capital = Current assets - Current liabilities	8.27	6.90	19.85%	
9	Net profit ratio	Percentage	Profit after tax	Revenue operations	-28.81	-12.04	139.35%	This is due to increase in revenue by 34% and decrease in negative working capital by 44%.
10	Return on capital employed	Percentage	Earnings before interest and tax + Finance costs	Capital employed = Total equity + total borrowings (current and non-current) - intangible assets	2.09%	0.77%	171.68%	The increase is primarily attributable to the increase in revenue by 34% during the current year and increase in profit after tax amounting to Rs. 245.20 lakhs during the current year as compared to Rs. 67.24 lakhs during the previous year.
11	Return on investment	Percentage	Profit after tax	Total equity	13.43%	6.11%	119.85%	The increase is attributable to increase in profit before tax amounting to Rs. 337.00 lakhs during the current year as compared to Rs. 104.21 lakhs during the previous year.
					11.27%	3.48%	223.57%	The increase is primarily attributable to the increase in profit after tax amounting to Rs. 245.20 lakhs during the current year as compared to Rs. 67.24 lakhs during the previous year.



**Chatha Foods Private Limited****Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ lakhs unless stated otherwise)

**30 Details of consumption of raw materials:****Raw material consumed**

Indigenous

For the year ended 31 March 2023		For the year ended 31 March 2022	
Amount	Percentage	Amount	Percentage
8,882.29	100.00%	6,276.09	100.00%
8,882.29	100.00%	6,276.09	100.00%

**31 Leases**

Operating leases

The Company is a lessee under a cancellable operating lease with lease term upto 2 years. Rental expense for operating lease for the year ended 31 March 2023 and 31 March 2022 was Rs. 13.17 lakhs and Rs. 18.06 lakhs respectively.

32 The Company is primarily engaged in the business of manufacturing "frozen, ready to eat meat and vegan foods" and operates in a single primary segment. The Company is operating in India which is considered to be the only single reportable geographical segment. The disclosures as per Accounting Standard (AS) 17 on Segment Reporting are not applicable to the Company.

33 The company does not have any capital commitments. There are no other material contingent liabilities identified by management.

34 Subsequent to 31 March 2023, the board of directors and the shareholders of the company in their respective meetings held on 15.07.2023 and 22.08.2023 (EGM) have approved to convert the status of the company from private limited company to public limited company. Consequent to the conversion, the name of the Company has changed from 'Chatha Foods Private Limited' to 'Chatha Foods Limited' by deletion of the word 'Private' before the word Limited in the name of the Company. However, the approval of the Registrar of Companies, Punjab is awaited, post which fresh certification of incorporation shall be issued to the company.

**35 Additional regulatory information required by Schedule III :**

- a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made.
- (e) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.





**Chatha Foods Private Limited**

**Notes to the financial statements for the year ended 31 March 2023**

(All amounts are in ₹ lakhs unless stated otherwise)

- (f) The company has not incurred any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (g) The Company does not have any charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (h) The Company has no such layers as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. Hence, the said clause is not applicable to the Company.
- (i) The Company has not entered into any scheme of arrangement which has an accounting impact.
- (j) Money raised by way of term loans were applied for the purposes for which these were obtained.
- (k) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961.
- (l) The Company has not traded or invested in crypto currency or virtual currency.

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Sandeep Mehta**

Partner

Membership No. 99410

**Place:** Chandigarh

**Date:**



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



**Paramjit Singh Chatha**

Managing Director

(DIN No: 1154225)



**Nidhi**

Company Secretary

(Membership No: A54066)

**Place:** Chandigarh

**Date:** 8<sup>th</sup>, September, 2023



**Gurcharan Singh Gosal**

Director

(DIN No: 1389179)

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