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**BANSAL & CO LLP**  
CHARTERED ACCOUNTANTS**INDEPENDENT AUDITOR'S REPORT**

To the Members of Merhaki Foods and Nutrition Private Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Merhaki Foods and Nutrition Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive expense, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

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with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There was no amount which were required to be transferred to the investor education and protection fund by the company.
  - iv. The Company has neither declared nor paid any dividend during the year.
  - v. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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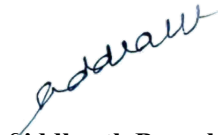
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- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended 31st March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, and the management has represented that the audit trail feature cannot be disabled.

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

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Bansal & Co LLP**  
Chartered Accountants  
Firm Regn. No. 001113N/N500079



**Siddharth Bansal**  
Partner

Membership No. 518004  
UDIN: 24518004BKATIN4578



Place: New Delhi  
Date: 27/June/2024

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**Annexure A referred to in paragraph 1(f) of “Report on Other Legal and Regulatory Requirements” of our report of even date.**

**Report on the Internal Financial Control over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

To the Members of Merhaki Foods and Nutrition Private Limited

**Opinion**

We have audited the internal financial controls over financial reporting with reference to the financial statements of Merhaki Foods and Nutrition Private Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

**Management’s and Board of Directors’ Responsibilities for Internal Financial Controls**

The Company’s Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting**

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

For **Bansal & Co LLP**  
Chartered Accountants  
Firm Regn. No. 001113N/N500079

*Siddharth Bansal*  
**Siddharth Bansal**



Partner  
Membership No. 518004  
UDIN: 24518004BKATIN4578

Place: New Delhi  
Date: 27/June/2024

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CHARTERED ACCOUNTANTS**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Merhaki Foods and Nutrition Private Limited of even date)**

(i) In respect of the Company's property, plant and equipment:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars including quantitative details and situation of intangible assets.
- (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records.

(b) As disclosed in note B14 to the financial statements, the Company has been sanctioned working capital limits of Rs. 247.50 million from banks which is secured against the fixed deposit with the bank. There is no requirement for submission of quarterly returns/statements with the banks.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

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- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to any companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to any companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to any companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to any companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to any companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) There are no statutory dues referred in foregoing paragraph vii) a), which have not been deposited on account of any dispute.

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- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company. .
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (b) The Company has made right issue of shares during the year under audit and the requirements of section 62 of the Companies Act, 2013 has been complied with. Further, the company has converted unsecured loan from parent company into equity shares. Refer Note B12 and B14 of the financial statements. The funds have been used for the purposes for which they were raised. The Company has not made any private placement of shares / fully or partially or optionally convertible debentures during the year.
- (xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence 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, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

**BRANCHES**

**Mumbai** : 7&8 GF, Wing-A, Raghavji Building, 15/17, Raghavji Road, Gowalia Tank, Mumbai-400026, Mob.: +91 9999668270  
**Bhopal** : 114, Shree Tower, 2<sup>nd</sup> Floor, Zone-II, Bhopal (MP) Ph. 0755-4076725, 2769224, 2769225, Mob.: +91 9425393729  
**Dehradun** : 1<sup>st</sup> Floor, C-4, Rich Look, Near LIC Building, Haridwar Road, Dehradun, Uttarakhand, Mob: +91 9811151506

**HEAD OFFICE:**

A-6, Maharani Bagh  
New Delhi- 110065  
Ph.: 011-41027248, 41626470  
Fax: 011-41328425  
E-mail: kapil@bansalco.com

**BANSAL & CO LLP**  
CHARTERED ACCOUNTANTS

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of Rs. 370.21 million and Rs. 176.59 million during the financial year covered by our audit and the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on 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 Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The Company doesn't fall under the ambit of Section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

For **Bansal & Co LLP**  
Chartered Accountants  
Firm Regn. No. 001113N/N500079

  
**Siddharth Bansal**

Partner

Membership No. 518004

UDIN: 24518004BKATIN4578



Place: New Delhi

Date: 27/June/2024

**BRANCHES**

**Mumbai** : 7&8 GF, Wing-A, Raghavji Building, 15/17, Raghavji Road, Gowalia Tank, Mumbai-400026, Mob.: +91 9999668270  
**Bhopal** : 114, Shree Tower, 2<sup>nd</sup> Floor, Zone-II, Bhopal (MP) Ph. 0755-4076725, 2769224, 2769225, Mob.: +91 9425393729  
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**Merhaki Foods and Nutrition Private Limited**  
**Balance Sheet as at Mar 31, 2024**  
*(All amounts in INR Millions, unless otherwise stated)*

	Notes	As at March 31, 2024	As at March 31, 2023
<b>A. ASSETS</b>			
<b>1. Non current assets</b>			
(a) Property, plant and equipment	B1	42.05	0.66
(b) Right of use assets	B2	41.05	4.41
(c) Intangible assets	B3	0.08	0.22
(e) Financial assets			
i. Other financial assets	B4	53.68	1.54
(f) Deferred tax assets (net)	B5	-	0.08
(f) Non current tax assets	B6	24.30	14.79
<b>Total non-current assets</b>		<b>161.16</b>	<b>21.70</b>
<b>2. Current assets</b>			
(a) Inventories	B7	1,400.28	688.93
(b) Financial assets			
i. Trade receivables	B8	359.54	277.12
ii. Cash and cash equivalents	B9	38.27	14.16
iii. Bank balances other than cash and cash equivalents	B10	102.00	102.50
iv. Other financial assets	B4	4.09	0.75
(c) Other current assets	B11	960.56	582.44
<b>Total current assets</b>		<b>2,864.74</b>	<b>1,665.90</b>
<b>TOTAL ASSETS (1+2)</b>		<b>3,025.90</b>	<b>1,687.60</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	B12	69.31	41.53
(b) Other equity	B13	1,090.21	553.19
<b>Total equity</b>		<b>1,159.52</b>	<b>594.72</b>
<b>Liabilities</b>			
<b>2. Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	B14	20.00	271.25
ii. Lease liability	B15	35.36	3.83
(b) Provisions	B16	1.36	0.53
(c) Deferred tax liabilities (net)	B5	-	-
<b>Total non-current liabilities</b>		<b>56.72</b>	<b>275.61</b>
<b>3. Current Liabilities</b>			
(a) Financial liabilities			
i. Borrowings	B14	857.49	248.75
ii. Trade payables	B17		
Total outstanding dues of micro enterprises and small enterprises		478.65	1.59
Total outstanding dues of creditors other than micro enterprises and small enterprises		421.77	554.75
iii. Lease liability	B15	7.64	0.76
iv. Other financial liabilities	B18	21.54	0.93
(b) Provisions	B16	0.00	-
(c) Other current liabilities	B19	22.57	10.49
<b>Total current liabilities</b>		<b>1,809.66</b>	<b>817.27</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>		<b>3,025.90</b>	<b>1,687.60</b>

Summary of material accounting policies

A

The accompanying notes are an integral part of the Standalone Financial Statements

In terms of our report attached

**For Bansal & Co LLP**

Chartered Accountants

Firm Regn No. 001113N/ N500079

*Siddharth Bansal*  
**Siddharth Bansal**  
 Partner  
 Membership No. 518004



For and on behalf of the Board of Directors of  
**Merhaki Foods and Nutrition Private Limited**  
 CIN - U24100RJ2017PTC059188

*Supam Satyanarayan Maheshwari*  
**Supam Satyanarayan Maheshwari**  
 Director  
 DIN - 01730685

*Nitin Agarwal*  
**Nitin Agarwal**  
 Director  
 DIN-00022157

Place -

Date -

**Merhaki Foods and Nutrition Private Limited**  
**Statement of Profit and loss for the period ended Mar 31, 2024**  
*(All amounts in INR Millions, unless otherwise stated)*

	Notes	for the period ended March 31, 2024	for the year ended March 31, 2023
<b>1. INCOME</b>			
Revenue from operations	B20	3,444.26	2,249.70
Other income	B21	9.43	5.62
<b>Total income</b>		<b>3,453.69</b>	<b>2,255.32</b>
<b>2. EXPENSES</b>			
(a) Purchases of traded goods	B22	2,326.02	1,887.65
(b) Changes in inventories	B23	(579.01)	(573.52)
(c) Employee benefits expense	B24	93.38	47.47
(d) Finance costs	B25	127.56	27.25
(e) Depreciation and amortisation expense	B26	16.00	1.46
(f) Other expenses	B27	1,904.90	1,063.57
<b>Total expenses</b>		<b>3,888.85</b>	<b>2,453.88</b>
<b>3. Profit/(Loss) before tax</b>		<b>(435.16)</b>	<b>(198.56)</b>
<b>4. Tax expense:</b>			
(a) Current tax expense		-	-
(b) Deferred tax (expense)/credit		0.07	(0.08)
<b>Total</b>		<b>0.07</b>	<b>(0.08)</b>
<b>5. Net profit for the year (3 - 4)</b>		<b>(435.23)</b>	<b>(198.48)</b>
<b>6. Other comprehensive income</b>			
<b>I</b>			
<b>i. Items that will not be reclassified to profit or loss</b>			
a. Remeasurements of the defined benefit plans		0.04	(0.23)
ii. Income tax relating to items not reclassified		(0.01)	-
<b>II</b>			
<b>i. Items that may be reclassified to profit or loss</b>			
a. Current year gains (losses)		-	-
ii. Income tax relating to items not reclassified		-	-
<b>Other comprehensive income/ (loss) (I + II)</b>		<b>0.03</b>	<b>(0.23)</b>
<b>Total comprehensive income for the year (5 + 6)</b>		<b>(435.20)</b>	<b>(198.71)</b>
<b>Earning per share</b>	B28		
Basic (In Rs)		(8.88)	(5.53)
Diluted (In Rs)		(8.88)	(5.53)

Summary of material accounting policies

A

The accompanying notes are an integral part of the Standalone Financial Statements

In terms of our report attached  
**For Bansal & Co LLP**  
Chartered Accountants  
Firm Regn No. 001143N/ N500079

**Siddharth Bansal**  
Partner  
Membership No. 518004



For and on behalf of the Board of Directors of  
**Merhaki Foods and Nutrition Private Limited**  
CIN - U24100RJ2017PTC059188



**Supam Satyanarayan Maheshwari**  
Director  
DIN - 01730685

**Nitin Agarwal**  
Director  
DIN-00022157

Place -  
Date -

**Merhaki Foods and Nutrition Private Limited**  
**Cash Flow Statement for the period ended Mar 31, 2024**  
*(All amounts in INR Millions, unless otherwise stated)*

		<b>ended March 31, 2024</b>	<b>for the year ended March 31, 2023</b>
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net profit before tax	<b>(435.16)</b>	<b>(198.56)</b>
<b>Add</b>	<b>Adjustments for:</b>		
	Depreciation and amortisation expenses	16.00	1.46
	Employment cost	-	14.99
	Finance cost	121.70	26.70
	Interest on lease liability	5.83	0.54
	Interest on defined benefit obligation	0.03	0.01
	Interest income	(8.55)	(4.80)
	Allowance for Doubtful debts	9.77	5.52
	<b>Operating profit before working capital changes</b>	<b>(290.38)</b>	<b>(154.14)</b>
	<b>Changes in working capital</b>		
	<b>Adjustments for (increase) / decrease in operating assets:</b>		
	Inventories	(711.36)	(644.08)
	Trade receivables	(92.19)	(257.14)
	Other financial assets	(53.10)	(1.19)
	Other assets	(378.12)	(558.83)
	<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
	Trade payables	344.08	509.59
	Other financial liabilities	20.59	(0.60)
	Provisions	0.84	0.17
	Other current liabilities	12.09	8.62
	<b>Cash used in operations</b>	<b>(1,147.55)</b>	<b>(1,097.60)</b>
Less:	Direct taxes paid (net of refund)	(9.52)	(14.79)
	<b>Net cash used in operating activities</b>	<b>(1,157.07)</b>	<b>(1,112.39)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of property, plant and equipment	(48.00)	(0.67)
	Investments in bank deposits	(105.35)	(995.50)
	Redemption of bank deposits	105.85	893.00
	Interest received	4.30	4.03
	<b>Net cash generated / (used in) investing activities</b>	<b>(43.20)</b>	<b>(99.14)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of shares (net)	999.99	750.01
	Proceeds from non-current borrowings	(251.25)	251.25
	Repayment of Lease liabilities	(11.41)	(1.03)
	Proceeds from current borrowings	608.74	248.75
	Finance charges paid	(121.69)	(26.70)
	<b>Net cash generated from financing activities</b>	<b>1,224.38</b>	<b>1,222.28</b>
	<b>Net increase in cash and cash equivalents A+B+C</b>	<b>24.11</b>	<b>10.75</b>
	Cash and cash equivalents at the beginning	14.16	3.41
	<b>Cash and cash equivalents as at the end of the year</b>	<b>38.27</b>	<b>14.16</b>
	<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
	Cash in hand	-	-
	With banks		
	- In current account	38.27	14.16
	<b>Total</b>	<b>38.27</b>	<b>14.16</b>

Summary of material accounting policies

A

The accompanying notes are an integral part of the Standalone Financial Statements

In terms of our report attached

**For Bansal & Co LLP**

Chartered Accountants

Firm Regn No. 001113N/ N500079

**Siddharth Bansal**

Partner

Membership No. 518004



For and on behalf of the Board of Directors of

**Merhaki Foods and Nutrition Private Limited**

CIN - U24100RJ2017PTC059188

**Supam Satyanarayan Maheshwari**

Director

DIN - 01730685

**Nitin Agarwal**

Director

DIN-00022157



Place -

Date -

**Merhaki Foods and Nutrition Private Limited**  
**Statement of changes in equity for the period ended Mar 31, 2024**  
*(All amounts in INR Millions, unless otherwise stated)*

	Equity Share Capital	Compulsorily Convertible Preference Share Capital
<b>Balance as at April 01, 2022</b>	<b>6.81</b>	<b>-</b>
Change in share capital	34.72	-
<b>Balance as at March 31, 2023</b>	<b>41.53</b>	<b>-</b>
Change in share capital	27.78	-
<b>Balance as at Mar 31, 2024</b>	<b>69.31</b>	<b>-</b>

**Other Equity**

Particulars	Reserves and surplus				Total
	Securities premium account	Equity contribution from parent	Retained earnings	Remeasurement of net defined benefit liability	
<b>Balance as at April 01, 2022</b>	<b>188.49</b>	<b>17.19</b>	<b>(184.00)</b>	<b>(0.05)</b>	<b>21.62</b>
Profit/(Loss) for the year	-	-	(198.48)	(0.23)	(198.71)
Security premium on issue of shares, net	715.28	-	-	-	715.28
Accrued during the year	-	14.99	-	-	14.99
Recognition of share based payment	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>903.76</b>	<b>32.18</b>	<b>(382.48)</b>	<b>(0.29)</b>	<b>553.19</b>
Profit/(Loss) for the year	-	-	(435.23)	0.04	(435.19)
Security premium on issue of shares, net	972.22	-	-	-	972.22
Accrued during the year	-	-	-	-	-
Recognition of share based payment	-	-	-	-	-
<b>Balance as at Mar 31, 2024</b>	<b>1,875.98</b>	<b>32.18</b>	<b>(817.71)</b>	<b>(0.25)</b>	<b>1,090.22</b>

**Securities premium account :** This reserve represents the premium on the issue of shares (net) and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained earnings :** This reserve represents the cumulative profits of the company. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Equity contribution from parent :** This reserve employment cost of promoters accounted for as per Paragraph B55 of Ind-AS 103 "Business Combinations".

**Remeasurement of net defined benefit liability :** This reserve represents changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments recognized in Other comprehensive income and subsequently not reclassified to the Statement of profit and loss.

**Debenture redemption reserve :** Since, there are no distributable profits during the current period, the company is not required to create debenture redemption reserve as specified under Section 71 of the Companies Act, 2013

In terms of our report attached  
**For Bansal & Co LLP**  
Chartered Accountants  
Firm Regn No. 00113N/ N500079

**Siddharth Bansal**  
Partner  
Membership No. 518004



For and on behalf of the Board of Directors of  
**Merhaki Foods and Nutrition Private Limited**  
CIN - U24100RJ2017PTC059188

**Supam Satyanarayan Maheshwari**  
Director  
DIN - 01730685

**Nitin Agarwal**  
Director  
DIN - 00022157

Place -  
Date -

## **A NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **1 Corporate information**

Merhaki Foods and Nutrition Private Limited ("Company") was incorporated as a private limited company in India under the Companies Act, 2013 in 2017. The Company's registered office is situated in F-78, Ram Path, Shyam Nagar, Jaipur, Rajasthan, India, 302019. The Company is into trading of other food products.

### **2 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

#### **2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act, 2013..

The financial statements are presented in Indian Rupee ('INR'), which is also the functional currency of the Company.

#### **2.2 Basis of preparation and presentation**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Company has adopted all the Ind AS standards and Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### **Historical cost convention**

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### **Significant accounting judgments, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require in material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### **Functional and presentation currency**

The financial statements are presented in Indian Rupee ('INR') Millions, which is also the functional currency of the Company.

#### **Measurement of fair values**

A number of the companies accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The company has an established control framework with respect to the measurement of fair values wherein the overall responsibility for overseeing all significant fair value measurements

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the Note B29 - Fair value measurements



**Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle**

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities

**The material accounting policies are set out below:**

**2.3 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company assesses its revenue arrangements against specific criteria i.e., whether it has exposure to the significant risk and reward associated with the rendering of services

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

**Services**

Service income is recognised on accrual basis over the period of service. Revenues for services are recognised when the service rendered has been completed.

**Interest**

Interest income and expenses are reported on an accrual basis using the effective interest method. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**2.4 Property, plant and equipment ('PPE')**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalized. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Depreciation is recognised so as to write off the cost less their residual values over their useful lives, using the written down method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be

**Merhaki Foods and Nutrition Private Limited****Notes forming part of the financial statements for the period ended Mar 31, 2024***(All amounts in INR Millions, unless otherwise stated)*

The estimated useful life considered for the assets are as under.

Category of assets	Number of years
Plant and machinery	5 and 10
Office equipments	5
IT Equipments	3
Furniture and fixtures	3 and 10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

**2.5 Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a written down value basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The useful life considered for the intangible assets are as under:

Category of Assets	No. of Years
Software	3

**2.6 Financial instruments****I Initial recognition**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**II Subsequent measurement****a. Non-derivative financial instruments****i. Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**ii. Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**iii. Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**iv. Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**III Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**IV Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

**2.7 Impairment**

**I Financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

**II Non-financial assets**

**a Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**2.8 Provisions**

A provision is recognized when the Company has a present obligation (legal / constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**2.9 Foreign currency transactions and translations**

Foreign currency transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**2.10 Earnings per share**

**Basic earnings per share** is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period

**Diluted earnings per share** is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**2.11 Taxation**

Income tax expense recognised in Standalone Statement of Profit and Loss comprised the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

**Current Tax**

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**Deferred tax**

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**2.12 Employee benefits**

Employee benefits include wages and salaries, provident fund, employee state insurance scheme, gratuity fund and compensated absences.

**Defined Contribution Plans**

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**Defined Benefit Plans**

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**The company is provides the following as defined benefits plan as -**

**a Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of Profit and Loss.

**b Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under Payable to employee, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**c Provident fund**

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related services.

**d Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **2.13 Employee share based payments**

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

### **2.14 Inventories**

Inventories are valued at the lower of cost and estimated net realizable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### **2.15 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **2.16 Other income**

Other income is comprised primarily of interest income, exchange gain/loss on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

### **2.17 Leases**

Ind AS 116, Leases, replaces the existing standard on accounting for leases, Ind AS 17. This standard introduces a single lessee accounting model and requires a lessee to recognize a 'right of use asset' (ROU) and a corresponding 'lease liability' for all leases with the exception of short-term (under 12 months) and low-value leases. Lease costs will be recognised in the income statement over the lease term in the form of depreciation on the ROU asset and finance charges representing the unwinding of the discount on the lease liability.

The Company plans to adopt Ind AS 116 from April 1, 2019 under the modified retrospective approach, and accordingly the comparative figures will not be restated. For contracts in place at this date, the Company will continue to apply its existing definition of leases under current accounting standards, instead of reassessing whether existing contracts are or contain a lease at the date of application of the new standard.

The Standard, in addition to increasing the Company's recognised assets and liabilities, impacts the classification and timing of expenses and consequently the classification between cash flow from operating activities and cashflow from financing activities. However, implementation of Ind AS 116 is not expected to have a material effect on the Company's Financial Statements.

#### **Balance sheet:**

For leases that have been classified to date as operating leases in accordance with Ind AS 17, the lease liability will be recognised at the present value of the remaining lease payments, discounted at 9.56% per annum. The right-of-use asset will generally be measured at the amount of the lease liability adjusted for advance payments and accrued liabilities from the previous financial year.

#### **Income statement:**

Adoption of Ind AS 116 is not expected to have material effect on Profit Before Tax (PBT)

#### **Cash Flow Statement:**

The change in presentation of operating lease expenses will result in a corresponding improvement in cash flows from operating activities and a decline in cash flows from financing activities.

### **2.18 Cash and cash equivalents**

Cash comprises cash on hand and balances with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above. The cash flow statement is prepared using indirect method.

### **2.19 Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirements of Schedule III of the Act unless otherwise stated.

### **2.20 Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the restated consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

**B1. Property, plant and equipment**

	Furniture & Fixtures	Plant & Machinery	IT Equipments	Office Equipment	Leasehold Improvements	Total
<b>GROSS BLOCK</b>						
<b>As at April 01, 2022</b>	<b>0.21</b>	<b>0.68</b>	<b>0.34</b>	<b>0.04</b>	<b>-</b>	<b>1.28</b>
Additions	0.29	-	0.11	0.27	-	0.67
Deductions	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>0.50</b>	<b>0.68</b>	<b>0.45</b>	<b>0.31</b>	<b>-</b>	<b>1.95</b>
Additions	19.80	18.98	2.07	3.68	3.47	48.00
Deductions	-	-	-	-	-	-
<b>As at Mar 31, 2024</b>	<b>20.30</b>	<b>19.66</b>	<b>2.52</b>	<b>3.99</b>	<b>3.47</b>	<b>49.95</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>As at April 01, 2022</b>	<b>0.19</b>	<b>0.39</b>	<b>0.27</b>	<b>0.02</b>	<b>-</b>	<b>0.86</b>
Additions	0.05	0.19	0.10	0.09	-	0.43
Deductions	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>0.24</b>	<b>0.58</b>	<b>0.37</b>	<b>0.11</b>	<b>-</b>	<b>1.29</b>
Additions	3.60	1.78	0.20	0.53	0.50	6.61
Deductions	-	-	-	-	-	-
<b>As at Mar 31, 2024</b>	<b>3.84</b>	<b>2.36</b>	<b>0.57</b>	<b>0.64</b>	<b>0.50</b>	<b>7.90</b>
<b>NET BLOCK</b>						
<b>As at March 31, 2023</b>	<b>0.26</b>	<b>0.10</b>	<b>0.08</b>	<b>0.20</b>	<b>-</b>	<b>0.66</b>
<b>As at Mar 31, 2024</b>	<b>16.46</b>	<b>17.31</b>	<b>1.95</b>	<b>3.35</b>	<b>2.97</b>	<b>42.05</b>

**B2. Right of use assets**

	Leasehold buildings	Total
<b>Gross Block</b>		
<b>As at April 01, 2022</b>	<b>-</b>	<b>-</b>
Additions	5.24	5.24
Disposals	-	-
<b>As at March 31, 2023</b>	<b>5.24</b>	<b>5.24</b>
Additions	45.88	45.88
Disposals	-	-
<b>As at Mar 31, 2024</b>	<b>51.12</b>	<b>51.12</b>
<b>Depreciation</b>		
<b>As at April 01, 2022</b>	<b>-</b>	<b>-</b>
Additions	0.83	0.83
Disposals	-	-
<b>As at March 31, 2023</b>	<b>0.83</b>	<b>0.83</b>
Additions	9.24	9.24
Disposals	-	-
<b>As at Mar 31, 2024</b>	<b>10.07</b>	<b>10.07</b>
<b>Net Block</b>		
<b>As at March 31, 2023</b>	<b>4.41</b>	<b>4.41</b>
<b>As at Mar 31, 2024</b>	<b>41.05</b>	<b>41.05</b>

**B3. Intangible Assets**

	Software license	Total
<b>GROSS BLOCK</b>		
<b>As at April 01, 2022</b>	<b>-</b>	<b>-</b>
Additions	0.43	0.43
Deductions	-	-
<b>As at March 31, 2023</b>	<b>0.43</b>	<b>0.43</b>
Additions	-	-
Deductions	-	-
<b>As at Mar 31, 2024</b>	<b>0.43</b>	<b>0.43</b>
<b>DEPRECIATION</b>		
<b>As at April 01, 2022</b>	<b>-</b>	<b>-</b>
Additions	0.20	0.20
Deductions	-	-
<b>As at March 31, 2023</b>	<b>0.20</b>	<b>0.20</b>
Additions	0.15	0.15
Deductions	-	-
<b>As at Mar 31, 2024</b>	<b>0.35</b>	<b>0.35</b>
<b>NET BLOCK</b>		
<b>As at March 31, 2023</b>	<b>0.22</b>	<b>0.22</b>
<b>As at Mar 31, 2024</b>	<b>0.08</b>	<b>0.08</b>

\* Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Property. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

**B4 Other financial assets**

**Non-current**

Security deposit - considered good

	As at March 31, 2024	As at March 31, 2023
	53.68	1.54
	<b>53.68</b>	<b>1.54</b>

**Current**

Interest accrued

Security deposit - considered good

	3.86	0.73
	0.23	0.02
	<b>4.09</b>	<b>0.75</b>

**B5 Deferred tax asset/liabilities**

**Movement in deferred tax asset/liability**

	Opening balance	Recognised in other comprehensive income	Recognised in statement of profit and loss	Closing balance
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**For the period ended 31st Mar, 2024**

**Liabilities**

Right of use of asset

(1.11)	-	1.11	-
--------	---	------	---

**Assets**

Leases

1.15	-	(1.15)	-
------	---	--------	---

Security Deposit

0.04	-	(0.04)	-
------	---	--------	---

DTA recognised till last year reversed in current year

-	-	-	-
---	---	---	---

**Total**

<b>0.08</b>	<b>-</b>	<b>(0.08)</b>	<b>-</b>
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**For the year ended 31st March 2023**

**Liabilities**

Right of use of asset

-	-	(1.11)	(1.11)
---	---	--------	--------

**Assets**

Leases

-	-	1.15	1.15
---	---	------	------

Security Deposit

-	-	0.04	0.04
---	---	------	------

DTA recognised till last year reversed in current year

-	-	-	-
---	---	---	---

**Total**

<b>-</b>	<b>-</b>	<b>0.08</b>	<b>0.08</b>
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**Expiry Profile of unused tax losses:**

**Unused tax losses (Business Loss) shall expire on: -**

March 31, 2030

183.20	183.20
--------	--------

March 31, 2031

416.10	-
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**Total**

<b>599.30</b>	<b>183.20</b>
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**Effective Tax Reconciliation**

Loss as per Statement of Profit and loss

(435.16)	(198.56)
----------	----------

Applicable tax rate

25.17%	25.17%
--------	--------

**Tax on above**

<b>(109.52)</b>	<b>(49.97)</b>
-----------------	----------------

**Adjustments:**

Permanent differences

-	3.77
---	------

DTA not recognised on losses

104.71	46.11
--------	-------

DTA recognised till last year reversed in current year

0.08	-
------	---

DTA not recognised on right of use assets and lease liability

3.23	
------	--

DTA not recognised on other intangible assets

0.03	0.02
------	------

(DTL) / DTA not recognised on property, plant and equipment

1.54	(0.01)
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**Adjusted tax expense**

<b>0.07</b>	<b>(0.08)</b>
-------------	---------------

**Tax as per profit and loss**

Current tax

-	-
---	---

Deferred tax

<b>0.07</b>	<b>(0.08)</b>
-------------	---------------

<b>(0.07)</b>	<b>0.08</b>
---------------	-------------

**B6 Non current tax assets**

Non current tax assets

As at March 31, 2024	As at March 31, 2023
24.30	14.79
<b>24.30</b>	<b>14.79</b>

**B7 Inventories**

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

Traded Goods

Goods in transit

As at March 31, 2024	As at March 31, 2023
1,197.38	618.37
202.90	70.56
<b>1,400.28</b>	<b>688.93</b>

**B8 Trade receivables**

Considered good - secured

Considered good - unsecured

Trade receivable which have significant increase in credit risk

Trade receivable - credit impaired

As at March 31, 2024	As at March 31, 2023
-	-
359.54	277.12
-	-
15.29	5.52
<b>374.83</b>	<b>282.64</b>

**Impairment allowance (allowance for bad and doubtful debt)**

**Less:** Trade receivable which have significant increase in credit risk

**Less:** Trade receivable - credit impaired

-	-
(15.29)	(5.52)
<b>359.54</b>	<b>277.12</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

**Trade receivables ageing schedule as at Mar 31, 2024**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 year - 2 year	2 year - 3 year	More than 3 years	
Undisputed trade receivables - considered good	-	287.91	48.09	23.54	-	-	359.54
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit	-	1.87	4.74	5.37	3.31	-	15.29
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>289.78</b>	<b>52.83</b>	<b>28.90</b>	<b>3.31</b>	-	<b>374.83</b>
Add : Unbilled Revenue							21.14
<b>Total</b>	-	<b>289.78</b>	<b>52.83</b>	<b>28.90</b>	<b>3.31</b>	-	<b>395.97</b>

**Trade receivables ageing schedule as at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 year - 2 year	2 year - 3 year	More than 3 years	
Undisputed trade receivables - considered good	-	262.23	14.77	0.12	-	-	277.12
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit	-	0.36	1.68	3.48	-	-	5.52
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>262.59</b>	<b>16.45</b>	<b>3.60</b>	-	-	<b>282.64</b>
Add : Unbilled Revenue							92.39
<b>Total</b>	-	<b>262.59</b>	<b>16.45</b>	<b>3.60</b>	-	-	<b>375.04</b>



		As at March 31, 2024	As at March 31, 2023
<b>B9 Cash and cash equivalents</b>			
For the purpose of statement of cash flows, cash and cash equivalents include cash on hand and in bank. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in balance sheet as follows:			
Cash in hand		-	-
<b>Balances with banks :</b>			
<i>On current accounts</i>		38.27	14.16
<i>On deposit accounts having original maturity less than 3 months</i>		-	-
Cash and cash equivalents as per balance sheet		<b>38.27</b>	<b>14.16</b>
Cash and cash equivalents as per statement of cash flows		38.27	14.16
<b>B10 Bank balances other than cash and cash equivalents</b>			
		As at March 31, 2024	As at March 31, 2023
<b>Balances with banks :</b>			
In deposit accounts having remaining maturity less than 12 months		102.00	102.50
		<b>102.00</b>	<b>102.50</b>
<b>B11 Other current assets</b>		As at March 31, 2024	As at March 31, 2023
Balance with government authorities		432.99	198.77
Advance to employees		1.13	3.15
Unbilled Revenue		21.14	92.39
Prepaid expenses		11.81	10.89
	I	<b>467.07</b>	<b>305.20</b>
<b>Advances to suppliers</b>			
Unsecured, considered good unless stated otherwise		493.49	277.24
Unsecured, considered doubtful		-	-
		493.49	277.24
Less: Provision for doubtful advances		-	-
	II	<b>493.49</b>	<b>277.24</b>
	I+II	<b>960.56</b>	<b>582.44</b>

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## B12 Share Capital

### a Authorised shares

#### i Equity share capital of Re 1 each

As at the beginning of the reporting year

Increase/(decrease) during the year

**As at the end of the reporting year**

	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
	Nos .	Amount	Nos .	Amount
	4,16,00,000	41.60	70,50,000	7.05
	-	-	3,45,50,000	34.55
	<b>4,16,00,000</b>	<b>41.60</b>	<b>4,16,00,000</b>	<b>41.60</b>

#### ii Compulsorily Convertible Preference Share of Rs 10 each - Series Seed 4

As at the beginning of the reporting year

Increase/(decrease) during the year

**As at the end of the reporting year**

	-	-	34,55,000	34.55
	-	-	(34,55,000)	(34.55)
	-	-	-	-

### b Issued, subscribed and paid up

#### Equity share capital of Rs 1 each

As at the beginning of the reporting year

Add: Issued during the year

**As at the end of the reporting year**

	4,15,32,875	41.53	68,10,655	6.81
	2,77,77,777	27.78	3,47,22,220	34.72
	<b>6,93,10,652</b>	<b>69.31</b>	<b>4,15,32,875</b>	<b>41.53</b>

### c Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 1 per share. Each shareholder is entitled to one vote per share. Dividend if any declared is payable in Indian Rupees.

### d Terms/ rights attached to compulsorily convertible preference shares of Re 10 each

Preference Shares : The Company issued Series Seed 4 Compulsory Convertible Preference Shares (CCPS) having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held, only if any proposed resolution directly affects any rights or the interest of the holder including resolution for winding up or reduction of share capital. Each CCPS is entitled to a preferential dividend of 0.0001% per annum payable in Indian Rupees.

'Ranking: The CCPS shall rank senior to all classes of shares currently existing or established hereafter, with respect to distributions and shall rank pari passu with the equity shares in all other respects including voting rights and adjustments for any stock splits, bonuses, sub-division, recapitalization, issuance of bonus shares, non-cash dividends/ distributions to holders of shares, reclassification, conversion, buyback, cancellation, consolidation or merger.

Dividend - The holder of each Series Seed CCPS shall be entitled to preferential dividend at the rate of 0.0001% (zero point zero zero zero one per cent) per year for all the Series Seed 4 CCPS till such time that the Series Seed 4 CCPS are outstanding. The Series Seed 4 CCPS shall be participating preference shares and shall be entitled to participate in any dividend distribution to holders of Equity Shares on an as if converted basis.

Each Series Seed 4 CCPS shall be convertible into Equity Shares in the ratio of 1:1 subject to provision provided.

During the year 2021-2022, 3,111,705 number of CCPS were converted into Equity shares.

### e Shares held by holding company

Globalbees Brands Private Limited

	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
	No. of Shares	% holding	No. of Shares	% holding
	6,93,10,652	100.00%	4,15,32,875	100.00%

	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
	No. of Shares	% holding	No. of Shares	% holding

### f Details of equity shareholding more than 5% shares in the company

Globalbees Brands Private Limited

6,93,10,652 100.00% 4,15,32,875 100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

	As at March 31, 2024	As at March 31, 2023	% of change during the year
	No. of Shares	% of total shares	No. of Shares
	% of total shares	% of total shares	% Change

### g Details of equity shares held by promoters in the company

Globalbees Brands Private Limited

6,93,10,652 100.00% 4,15,32,875 100.00% 0%

### h The Company has not issued any bonus shares during the current year and immediately preceding current year.

**B13 Other equity**

**Securities premium**

	As at March 31, 2024	As at March 31, 2023
Opening balance	903.77	188.49
Add : Issue of Series Seed 4 Compulsory Convertible Preference Shares (CCPS)	-	-
Add : Issue of Equity Shares	972.22	715.28
Add : Issue of Equity Shares on conversion of CCPS	-	-
<b>Closing balance</b>	<b>1,875.99</b>	<b>903.77</b>

**Equity contribution from parent**

Opening balance	32.18	17.19
Add : Accrued during the year	-	14.99
<b>Closing balance</b>	<b>32.18</b>	<b>32.18</b>

**Surplus/(Deficit) as per statement of profit and loss**

Opening balance	(382.76)	(184.05)
Add : Profit/Loss for the year	(435.20)	(198.71)
<b>Total comprehensive income for the year</b>	<b>(817.96)</b>	<b>(382.76)</b>

**Balance as at year end**

<b>1,090.21</b>	<b>553.19</b>
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**Merhaki Foods and Nutrition Private Limited**
**Notes forming part of the financial statements for the period ended Mar 31, 2024**
*(All amounts in INR Millions, unless otherwise stated)*
**B14 Borrowings**
**Non-current**
**Unsecured**

Non-convertible debentures

**Refer Note i) below**

20.00

20.00

*(Series-A Redeemable Non-Convertible Debentures)*

From Holding Company

**Refer Note ii) below**

-

251.25

**20.00**
**271.25**
**Current**
**Secured**

From banks

**Refer Note iv) below**

197.49

-

From others

**Refer Note v) below**

510.00

200.00

**707.49**
**200.00**
**Unsecured**

From Holding Company

**Refer Note ii) below**

-

48.75

From Related Party

**Refer Note iii) below**

50.00

-

From others

**Refer Note vi) below**

100.00

-

**150.00**
**48.75**
**Note -**

- i) The Company has issued 4 Series A Unlisted, Unsecured, Redeemable, Non-convertible debenture of face value of Rs. 50 lakhs each on private placement basis to Globalbees Brands Private Limited on 07th Oct 2021 for a period of 3 years from the date of allotment at a rate of interest of 14% per annum.
- ii) Unsecured loan from parent company carries interest of 14% p.a. The Loan shall be repaid in 8 equal quarterly instalments starting from February, 2023. Interest to be serviced separately on a monthly basis including the moratorium period of 12 months. However, the company has now fully converted this loan into equity shares.
- iii) Unsecured loan from related company (Prayosha Expo Private Limited) carries interest of 12% p.a. The Loan shall be repaid upon demand or at any time within a period of 3 years from the initiation of loan or any extended duration as mutually agreed
- iv) The company has been sanctioned an overdraft facility of Rs 47.50 Mn against FD from ICICI Bank and INR 200.00 Mn against FD from Axis Bank.
- v) The Company has taken a working capital demand loan from Capsave Finance Private Limited secured against Pari Passu charge on the entire current assets of the Company at the rate of 13.50% per annum, sanction amount of which is Rs. 500 Million. Interest is to be paid at the end of every month.
- vi) The Company has taken Unsecured Working Capital Loan of Rs 100.00 Mn from Stride One Capital Private Limited at interest rate of 12.5% for 35 days.

**B15 Lease liability**
**Non-current**

Lease liability

35.36

3.83

**35.36**
**3.83**
**Current**

Lease liability

7.64

0.76

**7.64**
**0.76**
**As at**
**As at**
**March 31, 2024**
**March 31, 2023**
**B16 Provision**
**Non-current**

Provision for gratuity

1.36

0.53

**1.36**
**0.53**
**Current**

Provision for gratuity

0.00

-

**0.00**
**-**

As at March 31, 2024	As at March 31, 2023
-------------------------	-------------------------

**B17 Trade payables**

Trade payables

Outstanding dues to micro and small enterprises (Refer note no. B34)

Outstanding dues to creditors other than micro and small enterprises

478.65 1.59

421.77 554.75

**900.42 556.34**

**Trade payable ageing as at Mar 31, 2024**

	Outstanding for following period from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3	Total
(i) MSME	-	440.97	37.68	-	-	<b>478.65</b>
(ii) Others	203.67	216.20	1.91	-	-	<b>421.78</b>
(iii) Disputed- MSME	-	-	-	-	-	-
(iv) Disputed- Others	-	-	-	-	-	-

**Trade payable ageing as at March 31, 2023**

	Outstanding for following period from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3	Total
(i) MSME	-	1.59	-	-	-	<b>1.59</b>
(ii) Others	235.08	316.82	2.85	-	-	<b>554.75</b>
(iii) Disputed- MSME	-	-	-	-	-	-
(iv) Disputed- Others	-	-	-	-	-	-

As at March 31, 2024	As at March 31, 2023
-------------------------	-------------------------

**B18 Other financial liabilities**

Payable to employees

Credit card outstanding

Interest payable

Bank Overdraft

9.85 0.00

0.83 0.93

10.86 -

- -

**21.54 0.93**

As at March 31, 2024	As at March 31, 2023
-------------------------	-------------------------

**B19 Other current liabilities**

Statutory dues

Advance from customers

9.50 8.37

13.07 2.12

**22.57 10.49**

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**Merhaki Foods and Nutrition Private Limited****Notes forming part of the financial statements for the period ended Mar 31, 2024***(All amounts in INR Millions, unless otherwise stated)*

	for the period ended March 31, 2024	for the year ended March 31, 2023
<b>B20 Revenue from operations</b>		
Sale of goods	3,314.69	2,157.31
Business support services	16.07	-
Subvention Fees	61.26	75.03
LRD Fees	23.63	17.36
Other operating income	28.61	-
	<b>3,444.26</b>	<b>2,249.70</b>

**i Disaggregated Revenue Information**

Set out below is the disaggregation of the Company's revenue from contracts with customers by timing of transfer of goods/ services:

	for the period ended March 31, 2024	for the year ended March 31, 2023
<b>Revenue from contracts with customers</b>		
Revenue from sale of goods and services		
-Recognised at a point in time	3,314.69	2,157.31
-Recognised over time	-	-
	<b>3,314.69</b>	<b>2,157.31</b>

**ii Contract Balances**

	for the period ended March 31, 2024	for the year ended March 31, 2023
Trade receivables [refer note B8 ]	359.54	277.12
Contract assets		
Contract liabilities		
-Advance from customers [refer note B19 ]	13.07	2.12

**a** Trade receivables generally have average credit period of 30 days in respect of sales of goods and services from the date of demand as per contract, except for cases, where credit terms are based on specific arrangement with the other party.

**b** Contract assets are initially recognised for revenue earned on account of contracts where revenue is recognised over the period of time as receipt of consideration is conditional on successful completion of performance obligations as per contract. Once the performance obligation is fulfilled and milestones for invoicing are achieved, contract assets are classified to trade receivables.

**c** Contract liabilities include amount received from customers to deliver goods and services.

**iii Performance Obligation**

	for the period ended March 31, 2024	for the year ended March 31, 2023
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the current year*	13.07	2.12

\*The entity expects to satisfy the performance obligations when (or as) the underlying goods to which such performance obligations relate are completed.

**Merhaki Foods and Nutrition Private Limited****Notes forming part of the financial statements for the period ended Mar 31, 2024***(All amounts in INR Millions, unless otherwise stated)***iv Assets Recognised from the Costs to obtain or fulfil Contract with Customers**

	<b>for the period ended March 31, 2024</b>	<b>for the year ended March 31, 2023</b>
Inventories	1,400.28	688.93
<b>B21 Other income</b>		
Interest on		
- Bank deposits	7.43	4.80
- Others	1.13	0.04
Miscellaneous income	0.87	0.78
	<b>9.43</b>	<b>5.62</b>
	<b>for the period ended March 31, 2024</b>	<b>for the year ended March 31, 2023</b>
<b>B22 Purchases of stock in trade</b>		
Purchases	2,326.02	1,887.65
	<b>2,326.02</b>	<b>1,887.65</b>
	<b>for the period ended March 31, 2024</b>	<b>for the year ended March 31, 2023</b>
<b>B23 Changes in inventories of stores and spares</b>		
Opening stock	618.37	44.85
Less: Closing stock	1,197.38	618.37
	<b>(579.01)</b>	<b>(573.52)</b>
	<b>for the period ended March 31, 2024</b>	<b>for the year ended March 31, 2023</b>
<b>B24 Employee benefits expense</b>		
Salaries and bonus	89.10	46.40
Contribution to provident and other funds	3.88	0.93
Staff welfare expenses	0.40	0.14
	<b>93.38</b>	<b>47.47</b>

**Merhaki Foods and Nutrition Private Limited****Notes forming part of the financial statements for the period ended Mar 31, 2024***(All amounts in INR Millions, unless otherwise stated)*

	for the period ended March 31, 2024	for the year ended March 31, 2023
<b>B25 Finance costs</b>		
Interest expenses		
Interest on statutory dues	0.65	0.22
Interest on term loans	103.67	21.17
Interest on lease liability	5.83	0.54
Interest on credit facilities	9.34	-
Interest on debentures	2.80	2.80
Interest on defined benefit obligation	0.03	0.01
Bank and other charges	5.24	2.51
	<b>127.56</b>	<b>27.25</b>
	for the period ended March 31, 2024	for the year ended March 31, 2023
<b>B26 Depreciation and amortization expenses</b>		
Depreciation on tangible fixed assets	6.61	0.43
Amortisation on intangible fixed assets	0.15	0.20
Depreciation on right of use assets	9.24	0.83
	<b>16.00</b>	<b>1.46</b>
	for the period ended March 31, 2024	for the year ended March 31, 2023
<b>B27 Other expenses</b>		
Rent		
- on building	0.36	0.16
Warehousing cost	389.53	226.94
Repairs and maintenance		
- to plant and machinery	4.44	0.21
Legal and professional expenses	59.39	12.45
Travelling and conveyance expenses	11.11	1.55
Fee and subscription	6.24	2.01
Research and development	0.12	0.05
Rates & taxes	3.89	0.38
Insurance	0.22	0.13
Office expenses	0.02	0.14
Power and fuel expenses	1.43	-
Allowance for trade receivables	9.77	5.52
Business promotion, marketing and event expenses	121.25	82.14
Business Enablement Fees	155.42	154.27
Recruitment and trainings	0.10	0.00
Advertisement Expense	273.02	74.52
Brokerage and commission	1.20	0.12
Sales commission	271.46	158.62
Shipping charges- outward	558.24	336.87
Manpower and labour cost	13.17	-
Miscellaneous expenses	23.09	6.62
<b>Auditor's remuneration</b>		
- Statutory & Tax audit	1.43	0.69
- Other matters	-	0.18
	<b>1,904.90</b>	<b>1,063.57</b>



**Merhaki Foods and Nutrition Private Limited****Notes forming part of the financial statements for the period ended Mar 31, 2024***(All amounts in INR Millions, unless otherwise stated)***B28 Earning per share (EPS)**

The Company's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders of the company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year.

	<b>for the period ended March 31, 2024</b>	<b>for the year ended March 31, 2023</b>
Profit/ (loss) attributable to equity holders of the company	(435.23)	(198.48)
<b>Calculation of weighted average number of equity shares</b>		
Number of share at the beginning of the year	4,15,32,875	68,10,655
Total equity shares outstanding at the end of the year	6,93,10,652	4,15,32,875
Weighted average number of equity shares in calculating basic EPS	<b>4,90,35,538</b>	<b>3,59,01,217</b>
Basic earnings per share (In Rs.)	(8.88)	(5.53)
Diluted earnings per share (In Rs.)#	(8.88)	(5.53)
Nominal value of equity shares (In Rs.)	1	1

# The Compulsorily convertible preference shares are anti-dilutive in nature, hence not considered in computation of diluted EPS.

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## B29 Leases

### As a Lessee

The company's significant leasing arrangements are in respect of operating leases for office building. The arrangement generally range between one year to three year. The lease arrangement has extension / termination option exercisable by either party which may make the assessment of lease term uncertain. While determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

### Impact of Ind AS 116 on Balance Sheet

	for the period ended March 31, 2024	for the year ended March 31, 2023
<b>a Opening balance - Lease liability</b>	4.58	-
Additions during the year	44.00	5.07
Interest Cost accrued during the year	5.83	0.54
Deletions during the year	-	-
Payments during the year	(11.41)	(1.03)
<b>Lease Liability balance as at closing date</b>	<b>43.00</b>	<b>4.58</b>
<b>b Classification as :</b>		
Current	7.64	0.76
Non-Current	35.36	3.83

### Impact of Ind AS 116 on Profit & Loss Statement

	for the period ended March 31, 2024	for the year ended March 31, 2023
Interest on Lease Liability	5.83	0.54
Depreciation on Right-of-use Assets	9.24	0.83

The weighted average incremental borrowing rate applied to lease liabilities is 14%

The amount of ROU assets and lease liabilities recognised in the balance sheet are disclosed in Note B2 and Note B15 respectively. The total cash outflow for the leases is Rs. 11.77/- Mn (including payment of Rs. 0.36/- Mn in respect of short term / low value leases) (Previous Year: Rs. 1.19/- Mn (including payment of Rs. 0.16/- Mn in respect of short term / low value leases))

**The undiscounted maturities of lease liabilities including interest thereon over the remaining lease term is as follows :**

	for the period ended March 31, 2024	for the year ended March 31, 2023
Not later than one year	13.19	1.35
Later than one year and not later than three years	28.39	2.91
Later than three years and not later than five years	15.43	1.89
Later than five years	-	-

## B30 Fair value

- a. Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

The following table details the carrying amount and fair values of financial instruments:

	Mar 31, 2024				
Particulars	FVTPL	Amortised cost	FVOCI	Total carrying value	Fair value
<b>Financial assets</b>					
Trade receivables	-	359.54	-	359.54	359.54
Cash and cash equivalents	-	38.27	-	38.27	38.27
Bank balances other than cash and cash equivalents	-	102.00	-	102.00	102.00
Other financial assets	-	4.09	-	4.09	4.09
<b>Total</b>	<b>-</b>	<b>503.90</b>	<b>-</b>	<b>503.90</b>	<b>503.90</b>
<b>Financial liabilities</b>					
Borrowings					
- Long term	-	20.00	-	20.00	20.00
Lease liability					
- Long term	-	35.36	-	35.36	35.36
- Short term	-	7.64	-	7.64	7.64
Trade payable	-	900.41	-	900.41	900.41
Other financial liabilities	-	21.54	-	21.54	21.54
<b>Total</b>	<b>-</b>	<b>984.95</b>	<b>-</b>	<b>984.95</b>	<b>984.95</b>

**March 31, 2023**

Particulars	FVTPL	Amortised cost	FVOCI	Total carrying value	Fair value
<b>Financial assets</b>					
Trade receivables	-	277.12	-	277.12	277.12
Cash and cash equivalents	-	14.16	-	14.16	14.16
Bank balances other than cash and cash equivalents	-	102.50	-	102.50	102.50
Other financial assets	-	0.75	-	0.75	0.75
<b>Total</b>	-	<b>394.53</b>	-	<b>394.53</b>	<b>394.53</b>
<b>Financial liabilities</b>					
Borrowings					
- Long term	-	271.25	-	271.25	271.25
Lease liability					
- Long term		3.83	-	3.83	3.83
- Short term		0.76	-	0.76	0.76
Trade payable	-	556.34	-	556.34	556.34
Other financial liabilities	-	0.93	-	0.93	0.93
<b>Total</b>	-	<b>833.11</b>	-	<b>833.11</b>	<b>833.11</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### **b. Fair value hierarchy**

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at Mar 31, 2024 and March 31, 2023 -

#### **Quantitative disclosures fair value measurement hierarchy for assets as at Mar 31, 2024:**

Particulars	Date of	Total	Fair value measure using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
<b>FVTPL financial investments</b>					
Quoted mutual funds	30-Jun-23	-	-	-	-

#### **Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:**

Particulars	Date of	Total	Fair value measure using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
<b>FVTPL financial investments</b>					
Quoted mutual funds	31-Mar-23	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the current financial year

### **B31 Financial risk management objectives and policies**

#### **Risk management objectives and policies**

The company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The company's activities expose it to liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Credit risk	Liquidity risk
<b>Exposure arising from</b>	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Borrowings, trade payables and other financial liabilities
<b>Measurement</b>	Aging analysis	Rolling cash flow
<b>Management</b>	Bank deposits, diversification of asset base and credit limits	Availability of sources of funds

**a. Credit risk**

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions.

**Credit risk exposure****Provision for expected credit losses**

In respect to other financial assets, the company follows a 12-months expected credit loss approach. The company's management does not foresee a material loss on account of credit risk due to the nature and credit worthiness of these financial assets. Further, the company has not observed any material defaults in recovering such financial assets. Therefore, the company has not provided for any expected credit loss on these financial assets except for trade receivables.

Mar 31, 2024				
Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash deposits with banks	38.27	0.00%	-	38.27
Bank balances other than cash and cash equivalents	102.00	0.00%	-	102.00
Trade and other receivables	374.83	4.08%	15.29	359.54
Other financial assets	4.09	0.00%	-	4.09

March 31, 2023				
Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash deposits with banks	14.16	0.00%	-	14.16
Bank balances other than cash and cash equivalents	102.50	0.00%	-	102.50
Trade and other receivables	282.64	1.95%	5.52	277.12
Other financial assets	0.75	0.00%	-	0.75

**Expected credit loss for trade receivables under simplified approach**

As at March 31, the company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts as at March 31, analysed by the length of time past due, are:

Mar 31, 2024				
Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Not due	21.14	0.00%	-	21.14
Not more than 6 months	289.78	0.65%	1.87	287.91
More than 6 months but less than 1 year	52.83	8.97%	4.74	48.09
More than 1 year	32.21	26.94%	8.68	23.53

March 31, 2023				
Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Not due	-	0.00%	-	92.39
Not more than 6 months	262.59	0.14%	0.36	262.23
More than 6 months but less than 1 year	16.45	10.21%	1.68	14.77
More than 1 year	3.60	96.62%	3.48	0.12

In respect of trade and other receivables, the company is exposed to significant credit exposure to a group of counterparties having similar characteristics. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets being investments are also due from several counter parties and based on historical information about defaults from the counter parties, management considers the quality of such assets that are not past due to be good.

**b. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The company takes into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Merhaki Foods and Nutrition Private Limited**  
**Notes forming part of the financial statements for the period ended Mar 31, 2024**  
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**Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities, and

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Mar 31, 2024					
Particulars	Carrying amount	Less than 1 year	1 – 3 year	Above 3 years	Total
Borrowings	877.49	857.49	20.00	-	877.49
Trade payable	900.41	900.41	-	-	900.41
Lease liability	43.00	13.19	28.39	15.43	57.01
Other financial liabilities	21.54	21.54	-	-	21.54
<b>Total</b>	<b>1,842.44</b>	<b>1,792.63</b>	<b>48.39</b>	<b>15.43</b>	<b>1,856.45</b>

March 31, 2023					
Particulars	Carrying amount	Less than 1 year	1 – 3 year	Above 3 years	Total
Borrowings	520.00	248.75	271.25	-	520.00
Trade payable	556.34	556.34	-	-	556.34
Lease liability	4.58	1.35	2.91	2	6.15
Other financial liabilities	0.93	0.93	-	-	0.93
<b>Total</b>	<b>1,081.85</b>	<b>807.37</b>	<b>274.16</b>	<b>2</b>	<b>1,083.43</b>

**B32 Capital management policies and procedures**

The company's capital management objectives are to ensure the company's ability to continue as a going concern as well as to provide a balance between financial flexibility and balance sheet efficiency. In determining its capital structure, company considers the robustness of future cash flows, potential funding requirements for growth opportunities and acquisitions, the cost of capital and ease of access to funding sources.

Management assesses the company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the company's various classes of debt. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amounts managed as capital by the group for the reporting years under review are summarized as follows :

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Total borrowings	877.49	520.00
Less: Cash and cash equivalents	38.27	14.16
<b>Net debt</b>	<b>839.22</b>	<b>505.84</b>
Total equity	1,159.50	594.72
<b>Total Capital</b>	<b>1,998.72</b>	<b>1,100.56</b>
<b>Gearing ratio</b>	<b>72%</b>	<b>85%</b>

**B33 Related party disclosures**

**a) Key Management Personnel**

Nitin Agarwal	Director
Supam Satyanarayan Maheshwari	Director

**b) Enterprise having control over the company**

Brainbees Solutions Limited (formerly known as Brainbees Solutions Private Limited)	Ultimate Holding Company
Globalbees Brands Private Limited	Holding Company

**c) Enterprises over which key management personnel or their relatives and/or holding company has significant influence.**

Digital Age Retail Private Limited  
Shenzhen Starbees Services Limited  
Cloud Lifestyle Private Limited  
Eyezen Technologies Private Limited  
Mush Textiles Private Limited  
Better & Brighter Home Care Private Limited  
Butternut Ventures Private Limited  
Dynamic IT Solution Private Limited  
Kuber Mart Industries Private Limited  
Maxinique Solution Private Limited  
HealthyHey Foods LLP  
DF Pharmacy Limited  
HS Fitness Pvt Ltd  
Candes Technology Private Limited  
Solarista Renewables Private Limited  
Encasa Homes Private Limited  
Frootle India Private Limited  
Wellspire India Private Limited  
Prayosha Expo Private Limited  
JW Brands Private Limited  
Plantex E Commerce Private Limited  
Kitchenopedia Appliances Private Limited  
Globalbees Brands DWC LLC

**Merhaki Foods and Nutrition Private Limited**  
**Notes forming part of the financial statements for the period ended Mar 31, 2024**  
*(All amounts in INR Millions, unless otherwise stated)*

Particulars	Enterprise having control over the company		Enterprises over which key management personnel or their relatives and/or holding company has significant influence.	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Purchase of goods</b>	<b>11.15</b>	<b>37.38</b>	<b>844.32</b>	<b>724.18</b>
GlobalBees Brands Private Limited	11.15	37.38	-	-
Maxinique Solutions Private Limited	-	-	22.58	17.85
Better & Brighter Homocare Private Limited	-	-	13.62	11.08
HealthyHey Foods LLP	-	-	0.81	11.39
Cloud Lifestyle Private Limited	-	-	1.56	6.15
Eyezen Technologies Private Limited	-	-	0.92	27.17
Butternut Ventures Private Limited	-	-	26.14	12.52
Kuber Mart Industries Private Limited	-	-	33.48	62.29
Dynamic IT Solutions Private Limited	-	-	140.61	135.57
Mush Textile Private Limited	-	-	19.27	22.63
HS Fitness Private Limited	-	-	160.85	166.13
DF Pharmacy Limited	-	-	93.35	46.76
Candes Technology Private Limited	-	-	21.21	91.29
Solarista Renewables Private Limited	-	-	206.57	73.61
Encasa Homes Private Limited	-	-	1.65	0.80
Frootle India Private Limited	-	-	2.39	13.24
Prayosha Expo Private Limited	-	-	0.24	4.49
JW Brands Private Limited	-	-	19.71	11.09
Plantex E Commerce Private Limited	-	-	62.69	8.91
Kitchenopedia Appliances Private Limited	-	-	16.67	1.21
<b>Sale of Goods</b>	<b>-</b>	<b>(6.82)</b>	<b>(248.46)</b>	<b>(60.53)</b>
GlobalBees Brands Private Limited	-	(6.82)	-	-
Maxinique Solutions Private Limited	-	-	(0.01)	(0.04)
Better & Brighter Homocare Private Limited	-	-	(0.22)	(0.03)
HealthyHey Foods LLP	-	-	(0.67)	(0.05)
Eyezen Technologies Private Limited	-	-	(0.01)	(0.04)
Kuber Mart Industries Private Limited	-	-	(20.53)	(0.22)
Dynamic IT Solutions Private Limited	-	-	(0.26)	(3.07)
Mush Textile Private Limited	-	-	(1.47)	(0.21)
HS Fitness Private Limited	-	-	(10.46)	(21.99)
DF Pharmacy Limited	-	-	(28.30)	(0.10)
Candes Technology Private Limited	-	-	(22.30)	(12.20)
Solarista Renewables Private Limited	-	-	(18.99)	(0.00)
Frootle India Private Limited	-	-	(1.71)	(0.14)
Prayosha Expo Private Limited	-	-	(0.18)	(0.11)
GlobalBees Brands DWC LLC	-	-	(7.66)	(14.53)
Digital Age Retail Private Limited	-	-	-	(7.80)
Butternut Ventures Private Limited	-	-	(1.61)	-
JW Brands Private Limited	-	-	(0.30)	-
Plantex E Commerce Private Limited	-	-	(40.91)	-
Encasa Homes Private Limited	-	-	(0.26)	-
Cloud Lifestyle Privatet Limited	-	-	(91.54)	-
Kitchenopedia Appliances Private Limited	-	-	(1.07)	-
<b>Reimbursement of Expenses</b>	<b>2.88</b>	<b>-</b>	<b>-</b>	<b>-</b>
GlobalBees Brands Private Limited	2.88	-	-	-
<b>Business Support services Expense</b>	<b>26.44</b>	<b>0.50</b>	<b>0.24</b>	<b>-</b>
GlobalBees Brands Private Limited	26.44	0.50	-	-
Prayosha Expo Private Limited	-	-	0.24	-

**Merhaki Foods and Nutrition Private Limited**
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<b>Business Enablement Fees Expense</b>	<b>35.38</b>	<b>94.70</b>	<b>120.04</b>	<b>59.57</b>
GlobalBees Brands Private Limited	35.38	94.70	-	-
Maxinique Solutions Private Limited	-	-	2.45	10.48
Better & Brighter Homecare Private Limited	-	-	8.33	1.85
HealthyHey Foods LLP	-	-	0.39	0.61
Dynamic IT Solutions Private Limited	-	-	19.67	-
Eyezen Technologies Private Limited	-	-	2.71	5.16
Butternut Ventures Private Limited	-	-	6.89	1.61
Mush Textile Private Limited	-	-	8.74	11.10
HS Fitness Private Limited	-	-	2.40	28.10
Frootle India Private Limited	-	-	1.24	0.66
Solarista Renewables Private Limited	-	-	33.85	-
Encasa Homes Private Limited	-	-	0.44	-
DF Pharmacy Limited	-	-	28.14	-
Cloud Lifestyle Private Limited	-	-	1.51	-
Candes Technology Private Limited	-	-	1.44	-
Kuber Mart Industries Private Limited	-	-	1.84	-
<b>LRD Fees Income</b>	<b>-</b>	<b>-</b>	<b>(23.64)</b>	<b>(17.15)</b>
Maxinique Solutions Private Limited	-	-	(0.36)	(0.61)
Better & Brighter Homecare Private Limited	-	-	(0.67)	(0.45)
HealthyHey Foods LLP	-	-	(0.05)	(0.08)
Cloud Lifestyle Private Limited	-	-	(1.05)	(0.99)
Eyezen Technologies Private Limited	-	-	(1.02)	(1.19)
Butternut Ventures Private Limited	-	-	(0.77)	(0.40)
Kuber Mart Industries Private Limited	-	-	(2.07)	(1.84)
Dynamic IT Solutions Private Limited	-	-	(2.93)	(2.86)
Mush Textile Private Limited	-	-	(1.07)	(0.78)
HS Fitness Private Limited	-	-	(4.30)	(3.70)
DF Pharmacy Limited	-	-	(3.95)	(1.52)
Candes Technology Private Limited	-	-	(0.53)	(1.30)
Solarista Renewables Private Limited	-	-	(4.20)	(0.77)
Encasa Homes Private Limited	-	-	(0.05)	(0.03)
Frootle India Private Limited	-	-	(0.08)	(0.23)
Prayosha Expo Private Limited	-	-	(0.01)	(0.10)
Plantex E Commerce Private Limited	-	-	(0.53)	(0.30)
<b>Subvention Fees Income</b>	<b>-</b>	<b>-</b>	<b>(61.26)</b>	<b>(72.81)</b>
Cloud Lifestyle Private Limited	-	-	(1.67)	(6.74)
Kuber Mart Industries Private Limited	-	-	(7.23)	(24.89)
Dynamic IT Solutions Private Limited	-	-	-	(9.88)
DF Pharmacy Limited	-	-	(1.32)	(8.43)
Candes Technology Private Limited	-	-	(4.80)	(17.56)
Solarista Renewables Private Limited	-	-	(4.97)	(1.71)
Encasa Homes Private Limited	-	-	-	(0.26)
Prayosha Expo Private Limited	-	-	(0.62)	(1.56)
Plantex E Commerce Private Limited	-	-	(4.13)	(1.78)
Eyezen Technologies Private Limited	-	-	(9.01)	-
HS Fitness Private Limited	-	-	(25.36)	-
Maxinique Solutions Private Limited	-	-	(0.98)	-
Frootle India Private Limited	-	-	(0.81)	-
HealthyHey Foods LLP	-	-	(0.36)	-
<b>Marketing expense</b>	<b>0.13</b>	<b>0.87</b>	<b>-</b>	<b>-</b>
Brainbees Solutions Limited	0.13	0.87	-	-
<b>Consultancy charges expense</b>	<b>-</b>	<b>-</b>	<b>23.84</b>	<b>-</b>
Shenzhen Starbees Services Limited	-	-	23.84	-

**Merhaki Foods and Nutrition Private Limited**
**Notes forming part of the financial statements for the period ended Mar 31, 2024**
*(All amounts in INR Millions, unless otherwise stated)*

<b>Travelling &amp; Conveyance expense</b>	-	-	-	-
Shenzhen Starbees Services Limited	-	-	-	-
<b>Warehouse Rent Expense</b>	<b>8.50</b>	-	<b>0.07</b>	-
Brainbees Solutions Limited	8.50	-	-	-
Digital Age Retail	-	-	0.07	-
<b>Handling charges- outward Expense</b>	-	-	<b>0.97</b>	-
Digital Age Retail	-	-	0.97	-
<b>Interest Expense</b>	<b>50.96</b>	<b>21.71</b>	<b>2.00</b>	-
Globalbees Brands Private Limited	50.96	21.71	-	-
Prayosha Expo Private Limited	-	-	2.00	-
<b>Issue of Equity Shares during the period / year</b>	<b>1,000.00</b>	<b>750.00</b>	-	-
Globalbees Brands Private Limited	1,000.00	750.00	-	-
<b>Loan Taken during the period / year</b>	<b>500.00</b>	<b>300.00</b>	<b>50.00</b>	-
Globalbees Brands Private Limited	500.00	300.00	-	-
Prayosha Expo Private Limited	-	-	50.00	-
<b>Loan Repaid during the period / year</b>	<b>800.00</b>	-	-	-
Globalbees Brands Private Limited	800.00	-	-	-
<b>Payables as at period end / year end</b>	<b>(206.08)</b>	<b>(42.18)</b>	<b>(336.47)</b>	<b>(87.11)</b>
GlobalBees Brands Private Limited	(205.69)	(42.18)	-	-
Maxinique Solutions Private Limited	-	-	(46.81)	(1.03)
HealthyHey Foods LLP	-	-	-	(1.05)
Butternut Ventures Private Limited	-	-	(0.32)	(1.42)
Kuber Mart Industries Private Limited	-	-	-	(20.13)
Dynamic IT Solutions Private Limited	-	-	(41.45)	(16.83)
Mush Textile Private Limited	-	-	(1.30)	-
DF Pharmacy Limited	-	-	(54.49)	(22.10)
Solarista Renewables Private Limited	-	-	(157.34)	(6.73)
Encasa Homes Private Limited	-	-	(1.38)	(1.12)
Frootle India Private Limited	-	-	-	(1.17)
Prayosha Expo Private Limited	-	-	-	(0.07)
JW Brands Private Limited	-	-	(0.04)	(4.91)
Plantex E Commerce Private Limited	-	-	(15.39)	(10.05)
Kitchenopedia Appliances Private Limited	-	-	-	(0.50)
Better & Brighter Homecare Private Limited	-	-	(17.95)	-
Brainbees solutions Private Limited	(0.39)	-	-	-
Shenzhen Starbees Services Limited	-	-	-	-
<b>Receivables as at period end / year end</b>	-	-	<b>346.86</b>	<b>109.98</b>
Better & Brighter Homecare Private Limited	-	-	-	5.64
Cloud Lifestyle Private Limited	-	-	31.44	4.64
Eyezen Technologies Private Limited	-	-	14.05	6.27
Mush Textile Private Limited	-	-	-	10.99
HealthyHey Foods LLP	-	-	0.46	-
Kuber Mart Industries Private Limited	-	-	62.23	-
HS Fitness Private Limited	-	-	50.54	52.48
Frootle India Private Limited	-	-	97.80	-
Candes Technology Private Limited	-	-	57.36	8.96
GlobalBees Brands DWC LLC	-	-	18.31	13.09
Prayosha Expo Private Limited	-	-	2.41	-
Kitchenopedia Appliances Private Limited	-	-	3.51	-
Brainbees solutions Private Limited	-	-	-	0.14
Digital Age Retail Private Limited	-	-	8.75	7.77



**Merhaki Foods and Nutrition Private Limited**  
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<b>Unbilled Revenue as at period end / year end</b>	-	-	<b>20.53</b>	<b>89.98</b>
Maxinique Solutions Private Limited	-	-	0.36	0.61
Better & Brighter Homecare Private Limited	-	-	0.12	0.45
HealthyHey Foods LLP	-	-	0.35	0.08
Cloud Lifestyle Private Limited	-	-	0.22	7.73
Eyezen Technologies Private Limited	-	-	0.19	1.19
Butternut Ventures Private Limited	-	-	0.21	0.40
Kuber Mart Industries Private Limited	-	-	0.39	26.73
Dynamic IT Solutions Private Limited	-	-	0.70	12.74
Mush Textile Private Limited	-	-	0.20	0.78
HS Fitness Private Limited	-	-	8.80	3.70
DF Pharmacy Limited	-	-	1.47	9.96
Candes Technology Private Limited	-	-	0.21	18.86
Solarista Renewables Private Limited	-	-	5.25	2.49
Encasa Homes Private Limited	-	-	0.01	0.29
Frootle India Private Limited	-	-	0.67	0.23
Prayosha Expo Private Limited	-	-	0.05	1.66
Plantex E Commerce Private Limited	-	-	1.33	2.08
<b>Provision as at period end / year end</b>	<b>(29.61)</b>	<b>(92.81)</b>	<b>(43.03)</b>	<b>(58.38)</b>
Globalbees Brands Private Limited	(23.12)	(92.81)	-	-
Better & Brighter Homecare Private Limited	-	-	(1.33)	(1.81)
HealthyHey Foods LLP	-	-	-	(0.60)
Cloud Lifestyle Private Limited	-	-	(1.40)	-
Butternut Ventures Private Limited	-	-	(1.97)	(1.58)
Maxinique Solutions Private Limited	-	-	-	(10.27)
HS Fitness Private Limited	-	-	-	(27.54)
Eyezen Technologies Private Limited	-	-	(2.66)	(5.06)
Kuber Mart Industries Private Limited	-	-	(1.80)	-
Dynamic IT Solutions Private Limited	-	-	(10.76)	-
Mush Textile Private Limited	-	-	(1.04)	(10.87)
DF Pharmacy Limited	-	-	(19.73)	-
Solarista Renewables Private Limited	-	-	-	-
Candes Technology Private Limited	-	-	(1.41)	-
Encasa Homes Private Limited	-	-	(0.43)	-
Frootle India Private Limited	-	-	-	(0.65)
Brainbees Solutions Limited	(6.50)	-	-	-
Digital Age Retail	-	-	(0.50)	-
<b>Redeemable Non Convertible Debentures as at period end / year end</b>	<b>(20.00)</b>	<b>(20.00)</b>	-	-
Globalbees Brands Private Limited	(20.00)	(20.00)	-	-
<b>Borrowings as at period end / year end</b>	-	<b>(300.00)</b>	<b>(50.00)</b>	-
Globalbees Brands Private Limited	-	(300.00)	-	-
Prayosha Expo Private Limited	-	-	(50.00)	-
<b>Interest Payable on Debentures as at period end / year end</b>	<b>(2.52)</b>	-	-	-
Globalbees Brands Private Limited	(2.52)	-	-	-
<b>Interest Payable on Loan as at period end / year end</b>	<b>(8.34)</b>	-	-	-
Globalbees Brands Private Limited	(8.34)	-	-	-
Prayosha Expo Private Limited	-	-	-	-

**B34 Disclosures under Micro Small and Medium Enterprise Development Act, 2006**

	Particulars	As at March 31, 2024	As at March 31, 2023
<b>a</b>	Amount remaining unpaid		
	- Principal	440.97	1.59
	- Interest	-	-
<b>b</b>	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
<b>c</b>	The amount of interest due and payable for the period of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
<b>d</b>	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
<b>e</b>	The amount of 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 Micro Small and Medium Enterprise Development Act, 2006.	-	-

The ministry of Micro, Small and Medium enterprises has issued an office memorandum dated 26/08/2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no over dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the company has not received any claim for interest from any supplier under the said act.

**B35 Employee benefit obligations****Disclosure of gratuity (non-funded)**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**Movement in the liability recognised in the balance sheet is as under:**

Description	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation as at the start of the year	0.52	0.11
Current service cost	0.83	0.17
Interest cost	0.03	0.01
Actuarial loss/(gain) recognized during the year -	(0.04)	0.23
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1.34</b>	<b>0.52</b>

There are no plan assets.

**Amount recognised in the statement of profit and loss is as under:**

Description	As at March 31, 2024	As at March 31, 2023
Current service cost	0.83	0.17
Interest cost	0.03	0.01
Actuarial loss/(gain)	(0.04)	0.23
<b>Amount recognized in the statement of profit and loss</b>	<b>0.82</b>	<b>0.41</b>

**Current / Non-current bifurcation**

Description	As at March 31, 2024	As at March 31, 2023
Current Benefit Obligation*	(0.00)	-
Non - current Benefit Obligation	(1.36)	(0.53)
<b>Liability recognised in Balance Sheet</b>	<b>(1.36)</b>	<b>(0.53)</b>

\* Absolute amount of provision for gratuity is Rs 6,26,402/-

**Merhaki Foods and Nutrition Private Limited****Notes forming part of the financial statements for the period ended Mar 31, 2024***(All amounts in INR Millions, unless otherwise stated)***Amount recognised in other comprehensive income:**

Description	As at March 31, 2024	As at March 31, 2023
Amount recognised in OCI, beginning of the year	0.29	0.05
<b>Actuarial loss/(gain):</b>		
change in financial assumptions	0.01	(0.03)
change in demographic assumptions	-	0.00
experience variance (i.e. Actual experience vs assumptions)	(0.05)	0.27
Return on plan assets, excluding amount recognised in net interest expense	-	-
<b>Amount recognised in OCI, end of the year</b>	<b>0.25</b>	<b>0.29</b>

**Total Defined Benefit Cost/(Income) included in Profit & Loss and Other Comprehensive Income**

Description	As at March 31, 2024	As at March 31, 2023
Amount recognized in Profit and loss, End of Period	0.86	0.19
Amount recognized in Other Comprehensive Income, End of Period	0.25	0.29
<b>Total Net Defined Benefit Cost/(Income) Recognized at Period-End</b>	<b>1.11</b>	<b>0.47</b>

**Actuarial assumptions**

Description	As at March 31, 2024	As at March 31, 2023
Discount rate	7.20%	7.30%
Future salary increase	10.00%	10.00%

**Demographic assumptions**

Mortality	IALM (2012-2014) Ultimate
Employee turnover / Withdrawal rate	20.00%
Retirement age	60 years

**Expected cash flow for next ten years**

	As at March 31, 2024
Year-2025	0.00
Year-2026	0.01
Year-2027	0.01
Year-2028	0.24
Year-2029	0.48
Year-2030 to Year 2034	7.79

**Sensitivity analysis**

	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation - Discount rate + 100 basis points	1.28	0.50
Defined benefit obligation - Discount rate - 100 basis points	1.45	0.57
Defined benefit obligation - Salary escalation rate + 100 basis points	1.44	0.56
Defined benefit obligation - Salary escalation rate - 100 basis points	1.29	0.50
Defined benefit obligation - Withdrawal rate + 100 basis points	1.32	0.51
Defined benefit obligation - Withdrawal rate - 100 basis points	1.40	0.54

**Average Duration**

Weighted average duration of the plan is 10.10 years.

### B36 Segment reporting

The Company is primarily engaged in the business of manufacturing and trading of other food products, which as per Indian Accounting Standard - 108 on 'Operating Segments' is considered to be the only reportable segment.

### B37 Key Financial Ratios

Particulars	for the period ended		Change in %	Reason for change if more than 25%
	March 31, 2024	March 31, 2023		
Current ratio	1.58	2.04	22%	Refer note (i) below
Debt Equity ratio	0.76	0.87	13%	Refer note (ii) below
Debt service coverage ratio	(2.45)	(7.04)	65%	Refer note (iii) below
Return on Equity (%)	(0.50)	(0.64)	22%	Refer note (iv) below
Inventory Turnover ratio	3.30	6.13	46%	Refer note (v) below
Trade Receivables Turnover ratio	10.82	14.87	27%	Refer note (vi) below
Trade Payables Turnover ratio	3.19	6.26	49%	Refer note (vii) below
Net Capital Turnover Ratio	3.26	2.65	-23%	Refer note (viii) below
Net profit margin (%)	(0.13)	(0.09)	-43%	Refer note (ix) below
Return on Capital Employed (%)	(0.21)	(0.18)	-20%	Refer note (x) below
Return on Investment	-	-	0%	

#### Note

- i Primarily due to increase in borrowing and increase in inventory
- ii Primarily due to increase in borrowing and issue of equity shares
- iii Primarily due to increase in borrowing
- iv Primarily due to issue of equity shares
- v Primarily due to increase in inventory
- vi Primarily due to increase in turnover.
- vii Primarily due to Business Enablement & Support accrued on March 31, 2023 and is included in trade payable.
- viii Primarily due to increase in turnover.
- ix Primarily due increase in cost of material acquired and increase in advertisement expense.
- x Primarily due to increase in borrowing

#### Detailed explanation of ratios

##### Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

##### Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total debt by its shareholder's equity.

##### Debt service coverage ratio

The Debt Service Coverage Ratio (DSCR) measures the ability of a company to use its operating income to repay all its debt obligations, including repayment of principal and interest on both short-term and long-term debt. It is calculated by dividing the earnings before interest, non-cash operating expenditure and tax by finance cost plus principal repayment of debt.

##### Return on Equity

Return on Equity (RoE) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing profit/loss after tax for the period by average Equity funds employed during the period.

##### Inventory Turnover ratio

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.

##### Trade Receivables Turnover ratio

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing Net Credit sales by average trade receivables.

##### Trade Payables Turnover ratio

The accounts payable turnover ratio shows investors how many times per period a company pays its accounts payable. In other words, the ratio measures the speed at which a company pays its suppliers. It is calculated by dividing net credit purchases by average trade payables.

##### Net Capital Turnover ratio

It measures the entity's ability to generate sales per rupee of long-term investment. A higher ratio indicates better utilization of long-term funds of owners and the lenders. It is calculated by dividing turnover by Working capital.

##### Net Profit Margin (%)

The net profit margin is equal to how much net income or profit is generated as a percentage of total income. It is calculated by dividing the profit for the year by total income.

**Return on Capital Employed**

Return on Capital Employed (RoCE) is a financial ratio that measures a Company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a Company is generating profits from its capital. It is calculated by dividing profit before exceptional items, Finance cost and tax by capital employed during the period.

**Return on Investment**

Return on investment (ROI) is a financial ratio used to calculate the benefit an investor will receive in relation to their investment cost. It is most commonly measured as net income divided by the original capital cost of the investment. The higher the ratio, the greater the benefit earned.

**B38 Commitments and contingent liabilities**

There were no commitments and contingent liabilities as at March 31, 2024 and March 31, 2023.

**B39 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to existing standards applicable to the Company.

**B40** The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**B41 Other statutory information**

- i The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- ii The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- iii The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- iv The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v The Company has not advanced or loaned or invested funds to any other person( s) or entity( is) , including foreign entities ( Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ( Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi The Company has not received any fund from any person( s) or entity( is) , including foreign entities ( Funding Party) with the understanding ( whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ( Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii The Company is not declared wilful defaulter by any bank or financial Institution or government or any government authority.
- ix Compliance with number of layer of companies as per Companies Act, 2013 -  
The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- x The Company has not entered into any scheme of arrangement which has an accounting impact on current financial year.
- xi The Company has not revalued its Property, Plant and Equipment ( including Right- of- Use Assets) or Intangible assets or both during the current financial year.
- xii The company has used the borrowings from financial institutions for the specific purpose for which it was taken at the balance sheet date.

In terms of our report attached

**For Bansal & Co LLP**

Chartered Accountants

Firm Regn No. 001113N/ N500079

**Siddharth Bansal**

Partner

Membership No. 518004



Place -

Date -



For and on behalf of the Board of Directors of

**Merhaki Foods and Nutrition Private Limited**

CIN - U24100RJ2017PTC059188

**Supam Satyanarayan Maheshwari**

Director

DIN - 01730685

**Nitin Agarwal**

Director

DIN-00022157