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## INDEPENDENT AUDITOR'S REPORT

**To the Members of Merhaki Foods and Nutrition Private Limited**

### Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS Financial Statements of Merhaki Foods and Nutrition Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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 Ind AS Financial Statements" or "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2025, 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 Ind AS 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 Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS 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 Ind AS Financial Statements.

### Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the Board Report identified above and, in doing so, consider whether the Board Report is materially inconsistent

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with the Ind AS Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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



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may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Materiality is the magnitude of misstatements in the Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. No matters were identified in the current period which were significant and required disclosure as the key audit matters.



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**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.

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

   e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 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 1”. 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 the requirements of section 197(16) of the Act, as amended In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year under consideration.

   h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the pending litigations which would impact its financial position in Note no. B39 of the Ind AS Financial Statements.

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

      iii. There 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 performed 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 clause g(iv)(a) and g(iv)(b) above contain any material mis-statement.

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 March 31, 2025, 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 and the Audit Trail feature has been preserved by the Company as per the statutory requirements for record retention.

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

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

**Siddharth Bansal**
Partner
Membership No. 518004
UDIN: 25518004BMIAYS6265

Place: New Delhi
Date: May 22, 2025

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**Annexure 1 to Independent Auditors' Report on Financial Statement of Merhaki Foods and Nutrition Private Limited**

**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")**

We have audited the internal financial controls over financial reporting with reference to the Ind AS Financial Statements of Merhaki Foods and Nutrition Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to the Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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**Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements.**

A company's internal financial control over financial reporting with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to Ind AS Financial Statements.**

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

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**Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with respect to these financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to these financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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**Siddharth Bansal**
Partner
Membership No. 518004
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Place: New Delhi
Date: May 22, 2025

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**ANNEXURE 2 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)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(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 B15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. The loan is further secured by the corporate guarantee by the Holding Company. Basis sanction letter, there is no requirement for submission of quarterly returns/statements with the banks/financial institutions.

(iii) (a) During the year the Company has provided loans to the related parties in which director has a significant influence and advances in the nature of loans to employees. The details are as follows:

**(Amount in Millions)**

| **Particulars** | **Guarantees** | **Loans** |
|---|---|---|
| Aggregate amount granted/ provided during the year<br>- Others – Related parties and Employees | 1,500 | 137.93 |
| Balance outstanding as at balance sheet date in respect of above cases<br>- Others – Related parties and Employees | 1,500 | 125.45 |

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to [companies, firms, Limited Liability Partnerships or any other parties] are not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) As disclosed in Note B11 of Ind AS Financial Statements the Company has granted loan to related party in which director has a significant influence that are repayable on demand. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

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| Particulars | Related Parties (Amount in Millions) |
|---|---|
| Aggregate amount of loans<br>- Repayable on Demand | 122.93 |
| Percentage of loans to the total loans | 98% |

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is 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 is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount (Rs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| CGST Act, 2017 | ITC mismatch | 7,36,503 | FY 23-24 | GST department |
| CGST Act, 2017 | ITC mismatch | 11,79,812 | FY 24-25 – April to Aug 24 | GST department |
| CGST Act, 2017 | TCS mismatch | 15,41,819 | FY 22-23 | GST department |
| CGST Act, 2017 | ITC mismatch | 6,21,933 | | GST department |
| CGST Act, 2017 | ITC mismatch | | FY 24-25 – Oct 24 | GST department |

(c) There are no statutory dues referred in foregoing paragraph vii) a), which have not been deposited on account of any dispute.

(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) Loans amounting to Rs. 470 Millions are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Such loans and interest thereon have not been demanded for repayment during the relevant financial year. The Company has not defaulted in repayment of other borrowings or 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) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the Ind AS Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries/Joint Venture.

(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 not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(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.



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(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) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 188 of the Act where applicable and the details of such transactions have been disclosed in the Ind AS Financial Statements, as required by the applicable accounting standards. Further, the requirements as stipulated by the provisions of section 177 of the Act are not applicable to the Company.

(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.

(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. 232.53 million and Rs. 419.17 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 Ind AS 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.

(xxi) The reporting under clause xxi of the Order is not applicable at the standalone level of reporting.

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

BANSAL & CO LLP New Delhi Chartered Accountants

**Siddharth Bansal**
Partner
Membership No. 518004
UDIN: 25518004BMIAYS6265

Place: New Delhi
Date: May 22, 2025

**Merhaki Foods and Nutrition Private Limited**
**CIN - U24100RJ2017PTC059188**
**Balance Sheet as at March 31, 2025**
(All amounts in INR Millions, unless otherwise stated)

| | | Notes | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| **A.** | **ASSETS** | | | |
| **1.** | **Non current assets** | | | |
| (a) | Property, plant and equipment | B1 | 53.15 | 42.05 |
| (b) | Right of use assets | B2 | 62.57 | 41.05 |
| (c) | Intangible assets | B3 | 0.03 | 0.08 |
| (d) | Financial assets | | | |
| | i. Other financial assets | B4 | 5.78 | 53.68 |
| (e) | Deferred tax assets (net) | B5 | - | - |
| (f) | Income tax assets (net) | B6 | 21.88 | 24.30 |
| | **Total non-current assets** | | **143.41** | **161.16** |
| **2.** | **Current assets** | | | |
| (a) | Inventories | B7 | 2,052.84 | 1,400.28 |
| (b) | Financial assets | | | |
| | i. Trade receivables | B8 | 477.66 | 359.54 |
| | ii. Cash and cash equivalents | B9 | 7.80 | 38.27 |
| | iii. Bank balances other than cash and cash equivalents | B10 | 2.13 | 102.00 |
| | iv. Loans | B11 | 125.45 | - |
| | v. Other financial assets | B4 | 247.49 | 25.24 |
| (c) | Other current assets | B12 | 1,005.10 | 939.42 |
| | **Total current assets** | | **3,918.47** | **2,864.74** |
| | **TOTAL ASSETS (1+2)** | | **4,061.88** | **3,025.90** |
| **B.** | **EQUITY AND LIABILITIES** | | | |
| **1.** | **Equity** | | | |
| (a) | Equity share capital | B13 | 77.71 | 69.31 |
| (b) | Other equity | B14 | 1,648.12 | 1,090.21 |
| | **Total equity** | | **1,725.83** | **1,159.52** |
| | **Liabilities** | | | |
| **2.** | **Non-current liabilities** | | | |
| (a) | Financial liabilities | | | |
| | i. Borrowings | B15 | - | 20.00 |
| | ii. Lease liabilities | B16 | 53.18 | 35.36 |
| (b) | Provisions | B17 | 1.50 | 1.36 |
| | **Total non-current liabilities** | | **54.68** | **56.72** |
| **3.** | **Current Liabilities** | | | |
| (a) | Financial liabilities | | | |
| | i.Borrowings | B15 | 1,067.80 | 857.49 |
| | ii. Lease liabilities | B16 | 14.98 | 7.64 |
| | iii.Trade payables | B18 | | |
| | Dues of micro enterprises and small enterprises | | 362.01 | 478.65 |
| | Dues of creditors other than micro enterprises and small enterprises | | 778.67 | 421.77 |
| | iv. Other financial liabilities | B19 | 35.77 | 21.54 |
| (b) | Other current liabilities | B20 | 22.14 | 22.57 |
| (c) | Provisions | B17 | 0.00 | 0.00 |
| | **Total current liabilities** | | **2,281.37** | **1,809.66** |
| | **TOTAL EQUITY AND LIABILITIES (1+2+3)** | | **4,061.88** | **3,025.90** |

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

BANSAL & CO. LLP New Delhi Chartered Accountants

**Siddharth Bansal**
Partner
Membership No. 518004

Place - New Delhi
Date - May 22, 2025

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

MERHAKI FOODS AND NUTRITION PVT. LTD.

**Rohit Goyal**
Director
DIN - 10558167

**Anuj Jain**
Director
DIN-11077148

**Merhaki Foods and Nutrition Private Limited**
**CIN - U24100RJ2017PTC059188**
**Statement of Profit and loss for the year ended March 31, 2025**
(All amounts in INR Millions, unless otherwise stated)

| | | Notes | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|---|
| 1. | **INCOME** | | | |
| (a) | Revenue from operations | B21 | 4,806.63 | 3,444.26 |
| (b) | Other income | B22 | 29.18 | 9.43 |
| | **Total income** | | **4,835.81** | **3,453.69** |
| 2. | **EXPENSES** | | | |
| (a) | Purchases of stock-in-trade | B23 | 3,245.83 | 2,326.02 |
| (b) | Changes in inventories of stock-in-trade | B24 | (695.63) | (579.01) |
| (c) | Employee benefits expense | B25(a) | 111.84 | 93.42 |
| | Share based payment expenses | B25(b) | 1.88 | - |
| (d) | Finance costs | B26 | 202.22 | 127.52 |
| (e) | Depreciation and amortisation expense | B27 | 42.53 | 16.00 |
| (f) | Other expenses | B28 | 2,204.08 | 1,904.90 |
| | **Total expenses** | | **5,112.75** | **3,888.85** |
| 3. | **(Loss) before tax** | | **(276.94)** | **(435.16)** |
| 4. | **Tax expense:** | | | |
| (a) | Current tax expense | | - | - |
| (b) | Deferred tax (expense)/credit | | (0.42) | 0.07 |
| | **Total** | | **(0.42)** | **0.07** |
| 5. | **Net (loss) for the year (3 - 4)** | | **(276.52)** | **(435.23)** |
| 6. | **Other comprehensive income** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | Remeasurements of post-employement benefit obligations | | 1.67 | 0.04 |
| | Income tax relating to items not reclassified | | (0.42) | (0.01) |
| | **Other comprehensive income/ (loss) (I + II)** | | **1.25** | **0.03** |
| | **Total comprehensive income for the year (5 + 6)** | | **(275.27)** | **(435.20)** |
| | **Earning per equity share** | B29 | | |
| | Basic and Diluted (In INR) | | (3.99) | (8.88) |

Summary of material accounting policies — A

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
**For Bansal & Co LLP**
Chartered Accountants
Firm Regn No. 001113N/ N500079

BANSAL & CO. LLP New Delhi Chartered Accountants

**Siddharth Bansal**
Partner
Membership No. 518004

Place - New Delhi
Date - May 22, 2025

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

MERHAKI FOODS AND NUTRITION PVT. LTD.

**Rohit Goyal**
Director
DIN - 10558167

**Anuj Jain**
Director
DIN-11077148

**Merhaki Foods and Nutrition Private Limited**
**CIN - U24100RJ2017PTC059188**
**Statement of cash flows for the year ended March 31, 2025**
(All amounts in INR Millions, unless otherwise stated)

| | | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **Net loss before tax** | **(276.94)** | **(435.16)** |
| **Add** | **Adjustments for:** | | |
| | Depreciation and amortisation expenses | 42.53 | 16.00 |
| | Employment cost | 1.88 | - |
| | Finance costs | 192.61 | 121.69 |
| | Interest on lease liabilities | 9.62 | 5.83 |
| | Interest income | (26.23) | (8.55) |
| | Allowance for trade receivables | (2.05) | 9.77 |
| | **Operating cash flow before working capital changes** | **(58.58)** | **(290.42)** |
| | **Changes in working capital** | | |
| | **Adjustments for (increase) / decrease in operating assets:** | | |
| | Inventories | (652.55) | (711.36) |
| | Trade receivables | (116.08) | (92.19) |
| | Other financial assets | (159.63) | 18.15 |
| | Other assets | (65.68) | (449.37) |
| | **Adjustments for increase / (decrease) in operating liabilities:** | | |
| | Trade payables | 240.27 | 344.08 |
| | Other financial liabilities | 16.07 | 20.59 |
| | Provisions | 1.81 | 0.88 |
| | Other current liabilities | (0.43) | 12.09 |
| | **Cash (used in) operations** | **(794.80)** | **(1,147.55)** |
| Less: | Direct taxes paid (net of refund) | 2.40 | (9.52) |
| | **Net cash (used in) operating activities** | **(792.40)** | **(1,157.07)** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment | (37.00) | (48.00) |
| | Purchase of intangible assets | - | |
| | Investments in bank deposits | (52.13) | (105.35) |
| | Redemption of bank deposits | 152.00 | 105.85 |
| | Loans given | (125.45) | |
| | Interest received | 11.50 | 4.30 |
| | **Net cash (used in) investing activities** | **(51.08)** | **(43.20)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Proceeds from issue of shares (net) | - | 999.99 |
| | Proceeds/ (Repayment) of non-current borrowings | 760.00 | (251.25) |
| | Repayment of lease liabilities | (22.55) | (11.41) |
| | Proceeds from current borrowings | 210.31 | 608.74 |
| | Finance charges paid | (134.74) | (121.69) |
| | **Net cash generated from financing activities** | **813.02** | **1,224.38** |
| | **Net (decrease) / increase in cash and cash equivalents A+B+C** | (30.46) | 24.11 |
| | Cash and cash equivalents at the beginning of the year | 38.27 | 14.16 |
| | **Cash and cash equivalents as at the end of the year** | **7.80** | **38.27** |
| | **COMPONENTS OF CASH AND CASH EQUIVALENTS** | | |
| | Cash in hand | - | - |
| | With banks | | |
| | - In current account | 7.80 | 38.27 |
| | **Total** | **7.80** | **38.27** |

Summary of material accounting policies A

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
**For Bansal & Co LLP**
Chartered Accountants
Firm Regn No. 001113N/ N500079

BANSAL & CO. LLP New Delhi Chartered Accountants

**Siddharth Bansal**
Partner
Membership No. 518004

Place - New Delhi
Date - May 22, 2025

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

**Rohit Goyal**
Director
DIN - 10558167

**Anuj Jain**
Director
DIN-11077148

**Merhaki Foods and Nutrition Private Limited**
**CIN - U24100RJ2017PTC059188**
**Statement of changes in equity for the year ended March 31, 2025**
(All amounts in INR Millions, unless otherwise stated)

| **A. Equity Share Capital** | **Amount (INR)** |
|---|---|
| **Balance as at April 01, 2023** | **41.53** |
| Change in share capital | 27.78 |
| **Balance as at March 31, 2024** | **69.31** |
| Change in share capital | 8.40 |
| **Balance as at March 31, 2025** | **77.71** |

**B. Other Equity**

| **Particulars** | **Reserves and surplus** | | | | **Total** |
|---|---|---|---|---|---|
| | **Securities premium account** | **Equity contribution from parent** | **Retained earnings** | **Remeasurement of net defined benefit liability** | |
| **Balance as at April 01, 2023** | **903.76** | **32.18** | **(382.48)** | **(0.29)** | **553.19** |
| 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 | - | - | - | - | **-** |
| **Balance as at March 31, 2024** | **1,875.98** | **32.18** | **(817.71)** | **(0.25)** | **1,090.22** |
| Profit/(Loss) for the year | - | - | (276.52) | 1.25 | **(275.27)** |
| Security premium on issue of shares, net | 831.30 | - | - | - | **831.30** |
| Accrued during the year | - | 1.88 | - | - | **1.88** |
| **Balance as at March 31, 2025** | **2,707.28** | **34.06** | **(1,094.23)** | **1.00** | **1,648.13** |

**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.

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

**Remeasurements of post-employement benefit obligations :** 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

Summary of material accounting policies A

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached
**For Bansal & Co LLP**
Chartered Accountants
Firm Regn No. 001113N/ N500079

BANSAL & CO. LLP New Delhi Chartered Accountants

**Siddharth Bansal**
Partner
Membership No. 518004

Place - New Delhi
Date - May 22, 2025

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

**Rohit Goyal**
Director
DIN - 10558167

**Anuj Jain**
Director
DIN-11077148

(All amounts in INR Millions, unless otherwise stated)

## A NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1 Corporate information

Merhaki Foods and Nutrition Private Limited ("the 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 Plot No. A-183, Prahaladpura, Industrial Area, Shivdaspura, Rajasthan, India, 303903. The Company operating in multi-brand sectors like Appliances, Home Utilities, Fashion / Lifestyle and BPC / HPC category, . The company is known for its involvement in producing and distributing food products that emphasize health and nutrition. Company also in this sector often focus on developing innovative food solutions, catering to health-conscious consumers, and adhering to nutritional standards.

## 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 Schdule III of the Companies Act, 2013.

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

The Company's material accounting policy are inculded in Notes 2.3 to 2.21

### 2.2 Basis of preparation and presentation

**Statement of Compliance**

These Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 22nd May 2025

Accounting policies have been consistently applied to all the years presented 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.

**Basis of measurement**

The Standalone Financial Statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement basis |
|---|---|
| Certain financial assets and liabilities | Fair value |
| Equity-settled share-based payment arrangements | Fair value |

**Significant accounting judgments, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized prospectively.

**Functional and presentation currency**

The standalone financial statements are presented in Indian Rupee ('INR') Millions, which is also the functional currency of the Company.All amount have been rounded off to the nearest Millions, unless otherwise indicated .

BANSAL & CO. LLP New Delhi Chartered Accountants

MERHAKI FOODS AND NUTRITION PVT. LTD.

**Assumptions and estimation uncertainties**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:
- Note B5- Recognition of DTL, Non-availability of future taxable profit against which tax losses carried forward can be used.
- Note B36- Measurement of defined benefit obligations: key actuarial assumptions;
- Note 38- Fair Value of ESOPs.
- Note 2.7 I- Expected credit loss for trade receivable

**Measurement of fair values**

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 from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:
-Identify the contract with a customer;
-Identify the performance obligations in the contract;
-Determine the transaction price;
-Allocate the transaction price to the performance obligations in the contract; and
-Recognise revenues when a performance obligation is satisfied.

BANSAL & CO. LLP New Delhi Chartered Accountants

MERHAKI FOODS AND NUTRITION PVT. LTD.

**Revenue from Sale of goods**
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The various discounts and schemes offered by the Company as part of the contract.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

**Revenue from Sales of services**
LRD Fees
This is facilitation fee of 2% by fellow subsidiary to its affiliated entities or partners to support subvention or business enablement activities. These fees are referred to as LRD fees and are intended to compensate the Company for its role in enabling and managing the underlying commercial transactions.

Subvention fees
Subvention represents the allocation of losses from one entity within the group to another fellow subsidiary. These transactions are undertaken to support the financial position of a fellow subsidiary and do not arise from external customer contracts. Subvention amounts are not recognized as revenue but are accounted for as intercompany support transactions and eliminated in the preparation of consolidated financial statements.

Business enablement fees
Business enablement represents the allocation of profits from one entity within the group to another fellow subsidiary. These transactions are undertaken to support the financial position of a fellow subsidiary and do not arise from external customer contracts. Business enablement amounts are recognized as revenue in standalone financial statements and eliminated in the preparation of consolidated financial statements.

**Contract balances**
The Policy for Contract balances i.e. contract assets, trade receivables and contract liabilities is as follows:

**a. Contract assets and trade receivables**
The Company classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment. Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement.

**b. Contract liabilities**
A contract liability is the obligation to deliver services to a customer for which the Company has received consideration or part thereof (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company deliver services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest Income-
Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.
The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**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 witten down 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 used.

BANSAL & CO LLP New Delhi Chartered Accountants

MERHAKI FOODS AND NUTRITION PVT. LTD.

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

| **Category of assets** | **Number of years** |
|---|---|
| Plant and machinery | 5 |
| Leasehold improvements | Over the period of Lease |
| Office equipments | 3 and 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).

Leasehold Improvements are amortised over a period of Lease.

**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 license | 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**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**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.

**V Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**2.7 Impairment**

**1 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**

The Companies non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.
Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).
The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, discount rates and terminal growth rates. Cash flow projections take into account past experience and represent management's best estimate about future developments.
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.
An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**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).

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**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 year

**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 year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

**2.11 Taxation**

Income tax expense recognised in 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 tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised 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.

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**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 on non-accumulating**

The Company has a policy on compensated absences which are 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 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 weighted average 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.

**2.14 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.

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**2.15 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.

**2.18 Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option in assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

**Company as a lessee**

The Company's lease asset classes primarily consist of leases for Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**Short-term leases and leases of low value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

**Balance sheet:**

For leases that have been classified to date as operating leases in accordance with Ind AS 116, the lease liability will be recognised at the present value of the remaining lease payments, discounted at 14% 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.

**2.19 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.

**2.20 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.

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**2.21 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company are identified as Chief Operating decision maker. Refer note 41 for segment information.

**2.22 Recent Accounting pronouncement**

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.

**2.23 Rounding off amounts**

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

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(All amounts in INR Millions, unless otherwise stated)

**B1. Property, plant and equipment**

| | Furniture & Fixtures | Plant & Machinery | IT Equipments | Office Equipment | Leasehold Improvements | Total |
|---|---|---|---|---|---|---|
| **GROSS BLOCK** | | | | | | |
| **As at April 01, 2023** | **0.50** | **0.68** | **0.45** | **0.31** | **-** | **1.95** |
| Additions | 19.80 | 18.98 | 2.07 | 3.68 | 3.47 | 48.00 |
| Deductions | - | - | - | - | - | - |
| **As at March 31, 2024** | **20.30** | **19.66** | **2.52** | **4.00** | **3.47** | **49.95** |
| Additions | 8.91 | 18.58 | 3.74 | 5.78 | - | 37.01 |
| Deductions | | | | | | - |
| **As at March 31, 2025** | **29.21** | **38.24** | **6.26** | **9.78** | **3.47** | **86.96** |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| **As at April 01, 2023** | **0.24** | **0.58** | **0.37** | **0.11** | **-** | **1.29** |
| Depreciation | 3.60 | 1.78 | 0.20 | 0.53 | 0.50 | 6.61 |
| Deductions | - | - | - | - | - | - |
| **As at March 31, 2024** | **3.84** | **2.35** | **0.57** | **0.66** | **0.50** | **7.90** |
| Depreciation | 5.61 | 13.31 | 2.69 | 2.86 | 1.44 | 25.91 |
| Deductions | - | - | - | - | - | - |
| **As at March 31, 2025** | **9.45** | **15.66** | **3.26** | **3.52** | **1.94** | **33.81** |
| **NET BLOCK** | | | | | | |
| **As at March 31, 2024** | **16.45** | **17.30** | **1.95** | **3.34** | **2.97** | **42.05** |
| **As at March 31, 2025** | **19.76** | **22.58** | **3.00** | **6.26** | **1.53** | **53.15** |

**B2. Right of use assets**

| | Leasehold buildings | Total |
|---|---|---|
| **Gross Block** | | |
| **As at April 01, 2023** | 5.24 | 5.24 |
| Additions | 45.88 | 45.88 |
| Disposals | - | - |
| **As at March 31, 2024** | **51.12** | **51.12** |
| Additions | 38.09 | 38.09 |
| Disposals | - | - |
| **As at March 31, 2025** | **89.21** | **89.21** |
| **Accumulated Amortization** | | |
| **As at April 01, 2023** | 0.83 | 0.83 |
| Amortization | 9.24 | 9.24 |
| Disposals | - | - |
| **As at March 31, 2024** | **10.07** | **10.07** |
| Amortization | 16.57 | 16.57 |
| Disposals | - | - |
| **As at March 31, 2025** | **26.64** | **26.64** |
| **Net Block** | | |
| **As at March 31, 2024** | **41.05** | **41.05** |
| **As at March 31, 2025** | **62.57** | **62.57** |

**B3. Intangible Assets**

| | Software license | Total |
|---|---|---|
| **GROSS BLOCK** | | |
| **As at April 01, 2023** | **0.43** | **0.43** |
| Additions | - | - |
| Deductions | - | - |
| **As at March 31, 2024** | **0.43** | **0.43** |
| Additions | - | - |
| Deductions | - | - |
| **As at March 31, 2025** | **0.43** | **0.43** |
| **Accumulated Amortization** | | |
| **As at April 01, 2023** | **0.20** | **0.20** |
| Amortization | 0.15 | 0.15 |
| Deductions | - | - |
| **As at March 31, 2024** | **0.35** | **0.35** |
| Amortization | 0.05 | 0.05 |
| Deductions | - | - |
| **As at March 31, 2025** | **0.40** | **0.40** |
| **NET BLOCK** | | |
| **As at March 31, 2024** | **0.08** | **0.08** |
| **As at March 31, 2025** | **0.03** | **0.03** |

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| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B4 Other financial assets** | | |
| **Non-current** | | |
| Security deposit - considered good (Refer note below) | 5.78 | 53.68 |
| | **5.78** | **53.68** |
| **Current** | | |
| Interest accrued | 9.26 | 3.86 |
| Unbilled Revenue | 188.00 | 21.14 |
| Security deposit - considered good (Refer note below) | 50.23 | 0.23 |
| | **247.49** | **25.24** |

* Inter corporate deposit of atleast INR 10 Crore (bearing Interest coupon of 8%) with tenure of 360 days is placed with stride in the following manner:
- ICD of INR 5 Cr is placed prior to disbursement of tranche I
- ICD of INR 5 Cr is placed post utlization of tranche I and piror to disbursement of tranche II
- ICD for tranche III is to be decided piror to disbursement of transche III basis mutual agreement

Balance as on 31st March 2025 for ICD is INR 5cr

(Refer note B32 for information about credit risk amd market risk for other financial assets)

**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 |
|---|---|---|---|---|
| **For the year ended March 31, 2025** | | | | |
| Brought forward losses | - | - | 165.02 | 165.02 |
| Allowance on payment basis | - | - | 20.31 | 20.31 |
| Provision for employees benefits | - | 0.42 | 0.06 | 0.48 |
| Security deposits | - | - | 0.70 | 0.70 |
| Right of use of asset and lease liabilities | - | - | 1.41 | 1.41 |
| Intangibles | - | - | 0.04 | 0.04 |
| Property, plant and equipments | - | - | 4.52 | 4.52 |
| Deferred tax assets not recognised due to brought forward losses | - | (0.42) | (192.05) | (192.47) |
| **Total** | **-** | **-** | **-** | **-** |
| **For the year ended March 31, 2024** | | | | |
| Right of use of asset | (1.11) | - | 1.11 | - |
| Leases | 1.15 | - | (1.15) | - |
| Security Deposit | 0.04 | - | (0.04) | - |
| DTA recognised till last year reversed in current year | - | - | - | - |
| **Total** | **0.08** | **-** | **(0.08)** | **-** |

The Company has unabsorbed depreciation of INR 18.66 Million (Previous year INR 6.87 Million) that are available for off-Setting for indefinite life against future taxable profits of the company.

**Expiry Profile of unused tax losses:**

| | For the year ended March 31, 2025 | for the year ended March 31, 2024 |
|---|---|---|
| **Unused tax losses (Business Loss) shall expire on: -** | | |
| March 31, 2030 | 53.46 | 53.46 |
| March 31, 2031 | 176.87 | 176.87 |
| March 31, 2032 | 364.15 | 368.92 |
| March 31, 2033 | 228.94 | - |
| **Total** | **823.42** | **599.24** |

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(All amounts in INR Millions, unless otherwise stated)

| | For the year ended March 31, 2025 | for the year ended March 31, 2024 |
|---|---|---|
| **Effective Tax Reconciliation** | | |
| Loss as per Statement of Profit and loss | (276.94) | (435.16) |
| Applicable tax rate | 25.17% | 25.17% |
| **Tax on above** | **(69.70)** | **(109.52)** |
| **Adjustments:** | | |
| Permanent differences | - | - |
| DTA not recognised on losses | 60.59 | 104.71 |
| DTA recognised till last year reversed in current year | - | 0.08 |
| DTA not recognised on right of use assets and lease liability | 1.17 | 3.23 |
| DTA not recognised on Gratuity Expense | 0.04 | - |
| DTA not recognised on 43(H) | 4.43 | |
| (DTL) / DTA not recognised on other intangible assets | (0.00) | 0.03 |
| (DTL) / DTA not recognised on provision written back | (0.51) | |
| DTA not recognised on property, plant and equipment | 3.57 | 1.54 |
| **Adjusted tax expense** | **(0.42)** | **0.07** |
| | | |
| **Tax as per profit and loss** | | |
| Current tax | - | - |
| Deferred tax | (0.42) | 0.07 |
| | **0.42** | **(0.07)** |

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B6 Income tax assets (net)** | | |
| Income tax assets (net) | 21.88 | 24.30 |
| (net of provision Nil (March 31, 2024 : Nil)) | **21.88** | **24.30** |

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B7 Inventories** | | |
| (valued at cost or net realisable value whichever is lower) | | |
| Stock-in-trade | 1,893.01 | 1,197.38 |
| Goods in transit | 159.83 | 202.90 |
| | **2,052.84** | **1,400.28** |

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B8 Trade receivables** | | |
| Considered good - secured | - | - |
| Considered good - unsecured | 477.66 | 359.54 |
| Trade receivable which have significant increase in credit risk | - | - |
| Trade receivable - credit impaired | 13.24 | 15.29 |
| | 490.90 | 374.83 |
| **Impairment allowance (allowance for bad and doubtful debt)** | | |
| **Less:** Trade receivable which have significant increase in credit risk | - | - |
| **Less:** Trade receivable - credit impaired | (13.24) | (15.29) |
| | **477.66** | **359.54** |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

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MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

**Trade receivables ageing schedule as at March 31, 2025**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months to 1 year | 1 year - 2 year | 2 year - 3 year | More than 3 years | Total |
| Undisputed trade recievables - considered good | - | 470.95 | 1.56 | - | 5.15 | - | 477.66 |
| Undisputed trade recievables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade recievables - credit impaired | - | 3.98 | 0.37 | 5.07 | 3.82 | - | 13.24 |
| Disputed trade recievables - considered good | - | - | - | - | - | - | - |
| Disputed trade recievables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade recievables - credit impaired | - | - | - | - | - | - | - |
| **Total** | **-** | **474.93** | **1.93** | **5.07** | **8.97** | **-** | **490.90** |
| Add : Unbilled Revenue | 188.00 | | | | | | 188.00 |
| **Total** | **188.00** | **474.93** | **1.93** | **5.07** | **8.97** | **-** | **678.90** |

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

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

(Refer note B32 for credit risk and related party note)

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B9 Cash and cash equivalents** | | |

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:

| | | |
|---|---|---|
| **Balances with banks :** | | |
| On current accounts | 7.80 | 38.27 |
| Cash and cash equivalents as per balance sheet | **7.80** | **38.27** |
| Cash and cash equivalents as per statement of cash flows | 7.80 | 38.27 |

**B10 Bank balances other than cash and cash equivalents**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Balances with banks :** | | |
| In deposit accounts having remaining maturity less than 12 months | 2.13 | 102.00 |
| | **2.13** | **102.00** |

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MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

**B11 Loans**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Unsecured, considered good | | |
| **Current** | | |
| Loans to related parties | 125.45 | - |
| (Refer to related party notes) | **125.45** | **-** |

Loan given to fellow subsidiaries have been utilized for meeting working capital requirements.

All the above loans and advances are amounts due by firms or private companies in which any director is a partner or a director or a member.

Refer note B32 for information about credit risk and market risk for loans.

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **B12 Other current assets** | | | |
| Balance with government authorities | | 508.17 | 432.99 |
| Advance to employees | | 1.11 | 1.13 |
| Prepaid expenses | | 26.26 | 11.81 |
| | I | **535.54** | **445.92** |
| **Advances to suppliers** | | | |
| Unsecured, considered good unless stated otherwise | | 469.56 | 493.49 |
| Unsecured, considered doubtful | | - | - |
| | | 469.56 | 493.49 |
| Less: Provision for doubtful advances | | - | - |
| | II | **469.56** | **493.49** |
| | I+II | **1,005.10** | **939.42** |

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Merhaki Foods and Nutrition Private Limited
CIN - U24100RJ2017PTC059188
Notes forming part of the financial statements for the year ended March 31, 2025
(All amounts in INR Millions, unless otherwise stated)

| | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2024 |
|---|---|---|---|---|
| | Nos . | Amount | Nos . | Amount |
| **B13 Share Capital** | | | | |
| **a Authorised shares** | | | | |
| **i Equity share capital of Re 1 each** | | | | |
| As at the beginning of the reporting year | 70,000,000 | 70.00 | 70,000,000 | 70.00 |
| Increase/(decrease) during the year | 10,000,000 | 10.00 | - | - |
| **As at the end of the reporting year** | **80,000,000** | **80.00** | **70,000,000** | **70.00** |
| **b Issued, subscribed and paid up** | | | | |
| **Equity share capital of Rs 1 each** | | | | |
| As at the beginning of the reporting year | 69,310,652 | 69.31 | 41,532,875 | 41.53 |
| Add: Issued during the year | 8,397,000 | 8.40 | 27,777,777 | 27.78 |
| **As at the end of the reporting year** | **77,707,652** | **77.71** | **69,310,652** | **69.31** |

**c Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 1 per share fully paid up. Each holder of equity shares is entitled to one vote per share held and will rank pari passu with each other in all respect. The dividend proposed (if any) by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential/ secured amounts in proportion to their shareholding.

| **d Shares held by holding company** | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2024 |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| Globalbees Brands Private Limited | 77,707,652 | 100.00% | 69,310,652 | 100.00% |

| **e Details of equity shareholding more than 5% shares in the company** | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2024 |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| Globalbees Brands Private Limited#* | 77,707,652 | 100.00% | 69,310,652 | 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.

*(inculding 10 equity shares held by Mr. Supam Satyanarayan Maheshwari).

| **f Details of equity shares held by promoters in the company** | As at March 31, 2025 | | As at March 31, 2024 | | % of change during the year |
|---|---|---|---|---|---|
| | No. of Shares | % of total shares | No. of Shares | % of total shares | % Change |
| Globalbees Brands Private Limited | 77,707,652 | 100.00% | 69,310,652 | 100.00% | 0% |

**g** The Company has issued 83,97,000 Equity shares during the year for consideration other than cash.

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

**i** No. share has been bought back since incorporation of the Company

BANSAL & CO LLP New Delhi Chartered Accountants

MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B14 Other equity** | | |
| **Securities premium** | | |
| Opening balance | 1,875.99 | 903.77 |
| Add : Issue of Equity Shares | 831.30 | 972.22 |
| **Closing balance** | **2,707.29** | **1,875.99** |
| **Equity contribution from parent** | | |
| Opening balance | 32.18 | 32.18 |
| Add : Accrued during the year | 1.88 | - |
| **Closing balance** | **34.06** | **32.18** |
| **Surplus/(Deficit) as per statement of profit and loss** | | |
| Opening balance | (817.96) | (382.76) |
| Add : (Loss) for the year | (276.52) | (435.23) |
| Add : Other comprehensive income | 1.25 | 0.03 |
| **Total comprehensive income for the year** | **(1,093.23)** | **(817.96)** |
| **Balance as at year end** | **1,648.12** | **1,090.21** |

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MERHAKI FOODS AND NUTRITION PVT. LTD.

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **B15 Borrowings** | | | |
| **Non-current** | | | |
| **Unsecured** | | | |
| Non-convertible debentures (Series-A Redeemable Non-Convertible Debentures) | Refer note (i) below | - | 20.00 |
| | | **-** | **20.00** |
| **Current** | | | |
| **Secured** | | | |
| From banks | Refer note (iv) below | - | 197.49 |
| From other | Refer note (v) and (vi) below | 597.80 | 610.00 |
| | | **597.80** | **807.49** |
| **Unsecured** | | | |
| From Related Party | Refer note (ii) and (iii) below | 470.00 | 50.00 |
| | | **470.00** | **50.00** |

**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. These debentures are repaid on November 13, 2024.

**ii)** Unsecured loan amounting to Rs. 50/- million (Previous Year : Rs. 50/- million) 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 mutuallly agreed.

**iii)** Unsecured loan from related company (Digital Age Retail Private Limited) carries interest of 9.9% 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 mutuallly agreed. The current outstanding balance is Rs. 420.00/- million (Previous year - Nil).

**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. The facility has been squared off during the year.

**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 Capsave Finance Present Lumpsume less 9.42% per annum, sanction amount of which is Rs. 500 Million. Interest is to be paid at the end of every month. The loan is further secured by corporated guarantee from Holding Company. The company is not required to file any quarterly statements with Capsave Finance Private Limited. The current year outstanding balance is Rs. 485.00/- Million.

**vi)** The Company has taken vendor financing from Stride One Capital Private Limited secured against Pari Passu charge on the existing and future fixed, current and intangible assets of the Company at the rate of 12.50% per annum, sanction amount of which is Rs.150 Million. The loan is further secured by corporated guarantee from Holding Company. The company is not required to file any quarterly statements with Stride One Capital Private Limited. The current year outstanding balance is Rs. 112.80/- Million.

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B16 Lease Liabilities** | | |
| **Non-current** | | |
| Lease liabilities | 53.18 | 35.36 |
| | **53.18** | **35.36** |
| **Current** | | |
| Lease liabilities | 14.98 | 7.64 |
| (Refer note B30) | **14.98** | **7.64** |

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MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **B17 Provision** | | | |
| **Non-current** | | | |
| **Provision for employee benefits** | | | |
| Provision for gratuity | (Refer note B36) | 1.50 | 1.36 |
| | | **1.50** | **1.36** |
| **Current** | | | |
| **Provision for employee benefits** | | | |
| Provision for gratuity | (Refer note B36) | 0.00 | 0.00 |
| | | **0.00** | **0.00** |

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B18 Trade payables** | | |
| Trade payables | | |
| Outstanding dues to micro and small enterprises (refer note) | 362.01 | 478.65 |
| Outstanding dues to creditors other than micro and small enterprises | 778.67 | 421.77 |
| | **1,140.68** | **900.42** |

**Trade payable ageing as at March 31, 2025**

| | Outstanding for following period from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | **Not due** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) MSME | 122.06 | 200.96 | 38.99 | | - | **362.01** |
| (ii) Others | 409.40 | 177.69 | 191.58 | - | - | **778.67** |
| (iii) Disputed- MSME | - | - | - | - | - | **-** |
| (iv) Disputed- Others | - | - | | - | - | **-** |
| **Total** | **531.45** | **378.65** | **230.57** | **-** | **-** | **1,140.68** |

**Trade payable ageing as at March 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 years** | **Total** |
| (i) MSME | - | 440.97 | 37.68 | - | - | **478.65** |
| (ii) Others | 203.67 | 216.20 | 1.90 | - | - | **421.77** |
| (iii) Disputed- MSME | - | - | - | - | - | **-** |
| (iv) Disputed- Others | - | - | - | - | - | **-** |
| **Total** | **203.67** | **657.16** | **39.58** | **-** | **-** | **900.42** |

Refer B34 for related party transaction

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B19 Other current financial liabilities** | | |
| Payable to employees | 8.01 | 9.85 |
| Credit card outstanding | 1.78 | 0.83 |
| Interest accrued but not due | 25.98 | 10.86 |
| | **35.77** | **21.54** |

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **B20 Other current liabilities** | | |
| Statutory dues | 14.24 | 9.50 |
| Advance from customers | 7.90 | 13.07 |
| | **22.14** | **22.57** |

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BANSAL & CO. LLP New Delhi Chartered Accountants

MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

| | | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| **B21** | **Revenue from operations** | | |
| **a** | **Revenue from contract with customer** | | |
| | **Sale of Product** | | |
| | Traded Goods | 4,191.57 | 3,314.69 |
| | | | |
| | **Sale of Services** | | |
| | Business support services | 2.45 | 16.07 |
| | Subvention Fees | 187.78 | 61.26 |
| | LRD Fees | 36.03 | 23.63 |
| | Business Enablement Fees income | 378.74 | - |
| | Other operating income | 10.06 | 28.61 |
| | | **4,806.63** | **3,444.26** |

**Reconciliation of revenue with the contract price**

**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 year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| Revenue from sale of goods and services | | |
| -Recognised at a point in time | 4,191.57 | 3,314.69 |
| -Recognised over time | 615.06 | 129.58 |
| | **4,806.63** | **3,444.26** |

**ii Contract Balances**

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Contract assets | | |
| - Trade receivables [refer note B8] | 477.66 | 359.54 |
| - Unbilled Revenue | 188.00 | 21.14 |
| Contract liabilities | | |
| -Advance from customers [refer note B20 ] | 7.90 | 13.07 |

**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.

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MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

**iii Performance Obligation**

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the current year* | 7.90 | 13.07 |

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

**iv Assets Recognised from the Costs to obtain or fulfil Contract with Customers**

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Inventories | 2,052.84 | 1,400.28 |

| **B22 Other income** | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Interest on | | |
| - Bank deposits | 3.65 | 7.43 |
| - Income tax refund | 1.55 | 0.83 |
| - Term Loan | 13.25 | - |
| - Others | 7.77 | 0.30 |
| Provision for bad debts no longer required | 2.05 | - |
| Miscellaneous income | 0.91 | 0.87 |
| | **29.18** | **9.43** |

| **B23 Purchases of stock in trade** | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Purchases | 3,245.83 | 2,326.02 |
| | **3,245.83** | **2,326.02** |

| **B24 Changes in inventories of Stock-in-Trade** | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Opening stock | 1,197.38 | 618.37 |
| **Less:** Closing stock | 1,893.01 | 1,197.38 |
| | **(695.63)** | **(579.01)** |

| **B25(a) Employee benefits expense** | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Salary, bonus and other allowances | 103.19 | 88.27 |
| Contribution to provident and other funds | 4.15 | 3.88 |
| Gratuity (refer note B36) | 1.81 | 0.87 |
| Staff welfare expenses | 2.69 | 0.40 |
| | **111.84** | **93.42** |

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MERHAKI FOODS AND NUTRITION PVT. LTD.

**Merhaki Foods and Nutrition Private Limited**
**CIN - U24100RJ2017PTC059188**
**Notes forming part of the financial statements for the year ended March 31, 2025**
(All amounts in INR Millions, unless otherwise stated)

| **B25(b) Share based payment expenses** | | **For the year ended March 31, 2025** | **For the year ended March 31, 2024** |
|---|---|---|---|
| Shared based payment to employees | (Refer note B37) | 1.88 | - |
| | | **1.88** | **-** |

| **B26 Finance costs** | **For the year ended March 31, 2025** | **For the year ended March 31, 2024** |
|---|---|---|
| Interest expenses | | |
| Interest on statutory dues | 0.11 | 0.65 |
| Interest on term loans | 177.02 | 103.67 |
| Interest on lease liabilities | 9.62 | 5.83 |
| Interest on credit facilities | 10.18 | 9.34 |
| Interest on debentures | 1.74 | 2.80 |
| Bank and other charges | 3.55 | 5.24 |
| | **202.22** | **127.52** |

| **B27 Depreciation and amortization expenses** | **For the year ended March 31, 2025** | **For the year ended March 31, 2024** |
|---|---|---|
| Depreciation on property, plant and equipment | 25.91 | 6.61 |
| Amortisation of intangible assets | 0.05 | 0.15 |
| Amortisation of right of use assets | 16.57 | 9.24 |
| | **42.53** | **16.00** |

| **B28 Other expenses** | **For the year ended March 31, 2025** | **For the year ended March 31, 2024** |
|---|---|---|
| Rent | | |
| - on building | 0.21 | 0.36 |
| - on plant and machinery | 7.28 | 1.27 |
| Warehousing cost | 71.07 | 389.53 |
| Repairs and maintenance | | |
| - to plant and machinery | 7.78 | 3.18 |
| Legal and professional expenses | 34.71 | 59.39 |
| Travelling and conveyance expenses | 11.12 | 11.11 |
| Fee and subscription | 12.19 | 6.24 |
| Rates and taxes | 4.63 | 3.89 |
| Royalty expense | 3.40 | - |
| Insurance | 1.68 | 0.22 |
| Power and fuel expenses | 3.95 | 1.43 |
| Allowance for trade receivables | - | 9.77 |
| Business support services (Expense) | 357.21 | - |
| Business promotion, marketing and event expenses | 118.69 | 121.25 |
| Business Enablement Fees | 288.67 | 155.42 |
| Advertisement Expense | 315.77 | 273.02 |
| Sales commission | 315.71 | 272.66 |
| Shipping charges- outward | 500.83 | 558.24 |
| Manpower and labour cost | 77.00 | 13.17 |
| Information technology expenses | 3.68 | 0.66 |
| Security charges | 12.50 | 1.88 |
| LRD Fees Expense | 23.83 | - |
| Miscellaneous expenses | 30.85 | 20.79 |
| **Auditor's remuneration** | | |
| - Statutory audit fee | 1.32 | 1.43 |
| - Tax audit fee | - | - |
| - Other matters | - | - |
| | **2,204.08** | **1,904.90** |

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MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

## B29 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.

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Loss attributable to equity holders of the company | **(276.52)** | **(435.23)** |
| **Calculation of weighted average number of equity shares** | | |
| Number of share at the beginning of the year | 69,310,652 | 41,532,875 |
| Total equity shares outstanding at the end of the year | 77,707,652 | 69,310,652 |
| Weighted average number of equity shares in calculating basic EI | **69,333,657** | **49,035,538** |
| Basic loss per share (In INR) | (3.99) | (8.88) |
| Diluted earnings per share (In INR)# | (3.99) | (8.88) |
| Nominal value of equity shares (In Rs.) | 1 | 1 |

# The employee stock options and partly-paid shares are anti-dilutive in nature, hence not considered in computation of diluted EPS.

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New Delhi
Chartered Accountants

MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

**B30 Leases**

**As a Lessee**

The company's significant leasing arrangements are in respect of operating leases for office building with the exception of short term leases and leases of low-value underlying assets, each class is reflected on the balance sheet as right of use and lease liability. 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 year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| a | **Opening balance - Lease liability** | 43.00 | 4.58 |
| | Additions during the year | 36.52 | 44.00 |
| | Interest Cost accrued during the year | 9.62 | 5.83 |
| | Payments during the year | (20.98) | (11.41) |
| | **Lease Liability balance as at closing date** | **68.16** | **43.00** |
| b | **Classification as :** | | |
| | Current | 14.98 | 7.64 |
| | Non-Current | 53.18 | 35.36 |

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

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Expense related to short term/ Low value lease | 7.49 | 1.63 |
| Interest on Lease Liability | 9.62 | 5.83 |
| Depreciation on Right-of-use Assets | 16.57 | 9.24 |

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 B16 respectively. The total cash outflow for the leases is Rs. 28.47/- Million (including payment of Rs. 7.49/- Million in respect of short term / low value leases) (Previous Year: Rs. 13.03/- Million (including payment of Rs. 1.63/- Million 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 year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Not later than one year | 23.59 | 13.19 |
| Later than one year and not later than three years | 49.47 | 28.39 |
| Later than three years and not later than five years | 14.64 | 15.43 |
| Later than five years | - | - |

**B31 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:

March 31, 2025

| Particulars | FVTPL | Amortised cost | FVOCI | Total carrying value | Fair value |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Trade receivables | - | 477.66 | - | 477.66 | 477.66 |
| Cash and cash equivalents | - | 7.80 | - | 7.80 | 7.80 |
| Bank balances other than cash and cash equivalents | - | 2.13 | - | 2.13 | 2.13 |
| Loans | - | 125.45 | - | 125.45 | 125.45 |
| Other financial assets | | 253.27 | - | 253.27 | 253.27 |
| **Total** | **-** | **866.31** | **-** | **866.31** | **866.31** |
| **Financial liabilities** | | | | | |
| Borrowings | | | | | |
| - Long term | - | - | - | - | - |
| - Short term | - | 1,067.80 | - | 1,067.80 | 1,067.80 |
| Lease liability | | | | | |
| - Long term | - | 53.18 | | 53.18 | 53.18 |
| - Short term | - | 14.98 | | 14.98 | 14.98 |
| Trade payable | - | 1,140.68 | - | 1,140.68 | 1,140.68 |
| Other financial liabilities | - | 35.77 | - | 35.77 | 35.77 |
| **Total** | **-** | **2,312.41** | **-** | **2,312.41** | **2,312.41** |

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MERHAKI FOODS AND NUTRITION PVT. LTD.

(All amounts in INR Millions, unless otherwise stated)

**March 31, 2024**

| Particulars | FVTPL | Amortised cost | FVOCI | Total carrying value | Fair value |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| 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 | - | 78.92 | - | 78.92 | 78.92 |
| **Total** | **-** | **578.73** | **-** | **578.73** | **578.73** |
| **Financial liabilities** | | | | | |
| Borrowings | | | | | |
| - Long term | - | 20.00 | - | 20.00 | 20.00 |
| - Short term | - | 857.49 | - | 857.49 | 857.49 |
| 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 |
| **Total** | **-** | **1,842.44** | **-** | **1,842.44** | **1,842.44** |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

**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 March 31, 2025 and March 31, 2024 -

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2025:**

| Particulars | Date of valuation | Total | Fair value measure using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| **FVTPL financial investments** | | | | | |
| Quoted mutual funds | 31-Mar-25 | - | - | - | - |

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

| Particulars | Date of valuation | Total | Fair value measure using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| **FVTPL financial investments** | | | | | |
| Quoted mutual funds | 31-Mar-24 | - | - | - | - |

**Asset and Liabilities measured at fair value:-**
As of March 31, 2025 and Mar 31, 2024, the Company did not have any financial and non-financial assets and liabilites measured at fair value.

**Other financial assets and liabilities**
i) Cash and cash equivalents, other bank balances, trade receivables, trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

ii) Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

iii) All financial assets and financial liabilities are classified as Level-3 Fair Value hierarchy due to the use unobservable inputs, including own credit risk.

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

(All amounts in INR Millions, unless otherwise stated)

**B32 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 |
|---|---|---|
| **Exposure arising from** | Cash and cash equivalents, trade receivables, Lease financial assets measured at amortised cost | Borrowings, trade payables and other financial liabilities |
| **Measurement** | Aging analysis | Rolling cash flow |
| **Management** | 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, loans, deposits with banks and financial institutions and other financial assets.

**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.

**March 31, 2025**

| Particulars | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|---|
| Cash and cash equivalent | 7.80 | 0.00% | - | 7.80 |
| Bank balances other than cash and cash equivalents | 2.13 | 0.00% | - | 2.13 |
| Loans | 125.45 | 0.00% | - | 125.45 |
| Trade and other receivables | 490.90 | 2.70% | 13.24 | 477.65 |
| Other financial assets | 253.27 | 0.00% | - | 253.27 |

**March 31, 2024**

| Particulars | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|---|
| Cash and cash equivalent | 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 | 78.92 | 0.00% | - | 78.92 |

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

As at March 31, the Company has certain trade receivables and unbilled income 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:

**March 31, 2025**

| Particulars | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|---|
| Not due | 188.00 | 0.00% | - | 188.00 |
| Not more than 6 months | 474.93 | 0.84% | 3.98 | 470.95 |
| More than 6 months but less than 1 year | 1.93 | 19.22% | 0.37 | 1.56 |
| More than 1 year | 14.03 | 63.32% | 8.88 | 5.15 |
| **Total** | **678.89** | | **13.23** | **665.66** |

**March 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 | 23.54 |
| **Total** | **395.97** | | **15.29** | **380.68** |

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(All amounts in INR Millions, unless otherwise stated)

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 dues 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.

**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.

**March 31, 2025**

| **Particulars** | **Carrying amount** | **Less than 1 year** | **1 – 3 year** | **Above 3 years** | **Total** |
|---|---|---|---|---|---|
| Borrowings | 1,067.80 | 1,067.80 | - | - | 1,067.80 |
| Trade payable | 1,140.68 | 1,140.68 | - | - | 1,140.68 |
| Lease liability | 68.16 | 23.59 | 49.47 | 14.64 | 87.70 |
| Other financial liabilities | 35.77 | 35.77 | - | - | 35.77 |
| **Total** | **2,312.40** | **2,267.84** | **49.47** | **14.64** | **2,331.95** |

**March 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 |
| **Total** | **1,842.44** | **1,792.63** | **48.39** | **15.43** | **1,856.45** |

**c. Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency Risk**

The Group's exposure to foreign currency risk is limited as majority of the transactions are in its functional currency. As at the balance-sheet date, the Group had following foreign currency exposures which have not been hedged by any derivative financial instruments as they are not material.

As at March 31, 2025 the unhedged exposure to the Group on holding financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to Rs. 2.20 Million ( March 31, 2024 Rs. 97.75 Million receivable (net)).

| **Receivable / (Payable)** | **March 31, 2025** | **March 31, 2025** | **Sensitivity** | |
|---|---|---|---|---|
| | **Foreign currency** | **Rs.** | **Increase by 5%** | **Decrease by 5%** |
| USD | 0.03 | 2.20 | 0.11 | (0.11) |
| **Total** | **0.03** | **2.20** | | |

| **Receivable / (Payable)** | **March 31, 2024** | **March 31, 2024** | **Sensitivity** | |
|---|---|---|---|---|
| | **Foreign currency** | **Rs.** | **Increase by 5%** | **Decrease by 5%** |
| USD | 0.25 | 20.50 | 1.03 | (1.03) |
| **Total** | **0.25** | **20.50** | | |

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**Interest rate risk**

The Comapny is exposed to interest rate risk primarily through its borrowings, which are partly at floating rates. Management monitors market interest rates on an ongoing basis and may enter into interest rate swap agreements to hedge exposure. The company does not currently consider the exposure to be material to its financial position.
Due to the nature and size of the company's financial instruments, exposure to interest rate risk is considered immaterial. Therefore, no sensitivity analysis has been disclosed.

**B33 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 Company for the reporting years under review are summarized as follows :

| **Particulars** | **As at March 31, 2025** | **As at March 31, 2024** |
|---|---|---|
| Total borrowings | 1,067.80 | 877.49 |
| **Less:** Cash and cash equivalents | 7.80 | 38.27 |
| **Net debt** | **1,059.99** | **839.22** |
| Total equity | 1,725.83 | 1,159.52 |
| **Total Capital** | **2,785.82** | **1,998.74** |
| **Gearing ratio** | 61% | 72% |

**Loan covenants**

From the date of execution of the transaction documents until the repayment of credit facilities in full, the parent company shall meet the following financial and operational covenants mentioned below :

1. Three months average monthly cash burn to be maintained in cash and cash equivalents.
2. Net working capital {receivables (less than 90 days) + inventory (less than 90 days) - payables}to short term debt (net of cash margin) ratio to be maintained greater than 1.1x
3. All tranches: Consolidated debt outstanding to be less than or equal to INR 400 crores (till equity infusion of atleast INR 200 crores)
4. Unecumbered cash should be greater than or equal to INR 60 Crores at all times.

**B34 Related party disclosures**

**a) Key Management Personnel**

| | |
|---|---|
| Chetna Manish Malaviya | Director (appointed w.e.f. 5th March 2025) |
| Rohit Goyal | Director (appointed w.e.f. 27th June 2024 |
| Anuj Jain | Director (appointed w.e.f. 2nd May 2025) |
| Nitin Agarwal | Director (resigned w.e.f. 2nd May 2025) |
| 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 |

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(All amounts in INR Millions, unless otherwise stated)

**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

| **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, 2025** | **As at March 31, 2024** | **As at March 31, 2025** | **As at March 31, 2024** |
| **Purchase of goods** | **-** | **11.15** | **551.37** | **844.32** |
| GlobalBees Brands Private Limited | - | 11.15 | - | - |
| Maxinique Solutions Private Limited | - | - | - | 22.58 |
| Better & Brighter Homecare Private Limited | - | - | 48.33 | 13.62 |
| HealthyHey Foods LLP | - | - | 14.18 | 0.81 |
| Cloud Lifestyle Private Limited | - | - | 6.19 | 1.56 |
| Eyezen Technologies Private Limited | - | - | 0.00 | 0.92 |
| Butternut Ventures Private Limited | - | - | 15.94 | 26.14 |
| Kuber Mart Industries Private Limited | - | - | 35.10 | 33.48 |
| Dynamic IT Solutions Private Limited | - | - | 77.59 | 140.61 |
| Mush Textile Private Limited | - | - | 21.42 | 19.27 |
| HS Fitness Private Limited | - | - | 39.85 | 160.85 |
| DF Pharmacy Limited | - | - | 46.07 | 93.35 |
| Candes Technology Private Limited | - | - | 187.44 | 21.21 |
| Solarista Renewables Private Limited | - | - | 0.58 | 206.57 |
| Encasa Homes Private Limited | - | - | 3.01 | 1.65 |
| Frootle India Private Limited | - | - | 0.27 | 2.39 |
| Prayosha Expo Private Limited | - | - | 4.44 | 0.24 |
| JW Brands Private Limited | - | - | - | 19.71 |
| Plantex E Commerce Private Limited | - | - | 17.12 | 62.69 |
| Kitchenopedia Appliances Private Limited | - | - | 33.84 | 16.67 |

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Merhaki Foods and Nutrition Private Limited
CIN - U24100RJ2017PTC059188
Notes forming part of the financial statements for the year ended March 31, 2025
(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, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| **Sale of Goods** | **2.37** | **-** | **790.09** | **248.46** |
| GlobalBees Brands Private Limited | 2.37 | - | - | - |
| Maxinique Solutions Private Limited | - | - | (2.66) | 0.01 |
| Better & Brighter Homecare Private Limited | - | - | 0.15 | 0.22 |
| HealthyHey Foods LLP | - | - | 250.77 | 0.67 |
| Eyezen Technologies Private Limited | - | - | (0.00) | 0.01 |
| Kuber Mart Industries Private Limited | - | - | 17.43 | 20.53 |
| Dynamic IT Solutions Private Limited | - | - | 0.00 | 0.26 |
| Mush Textile Private Limited | - | - | 1.00 | 1.47 |
| HS Fitness Private Limited | - | - | 0.01 | 10.46 |
| DF Pharmacy Limited | - | - | 3.85 | 28.30 |
| Candes Technology Private Limited | - | - | 12.27 | 22.30 |
| Solarista Renewables Private Limited | - | - | 142.54 | 18.99 |
| Frootle India Private Limited | - | - | 4.89 | 1.71 |
| Prayosha Expo Private Limited | - | - | 3.63 | 0.18 |
| GlobalBees Brands DWC LLC | - | - | - | 7.66 |
| Digital Age Retail Private Limited | - | - | 11.88 | - |
| Butternut Ventures Private Limited | - | - | 2.25 | 1.61 |
| JW Brands Private Limited | - | - | 0.08 | 0.30 |
| Plantex E Commerce Private Limited | - | - | 46.79 | 40.91 |
| Encasa Homes Private Limited | - | - | 0.45 | 0.26 |
| Cloud Lifestyle Privatet Limited | - | - | 296.28 | 91.54 |
| Kitchenopedia Appliances Private Limited | - | - | (1.52) | 1.07 |
| | | | | |
| **LRD Fees Income** | **-** | **-** | **36.03** | **23.64** |
| Maxinique Solutions Private Limited | - | - | 0.13 | 0.36 |
| Better & Brighter Homecare Private Limited | - | - | 2.81 | 0.67 |
| HealthyHey Foods LLP | - | - | 0.02 | 0.05 |
| Cloud Lifestyle Private Limited | - | - | 1.31 | 1.05 |
| Eyezen Technologies Private Limited | - | - | 0.41 | 1.02 |
| Butternut Ventures Private Limited | - | - | 0.90 | 0.77 |
| Kuber Mart Industries Private Limited | - | - | 3.00 | 2.07 |
| Dynamic IT Solutions Private Limited | - | - | 4.59 | 2.93 |
| Mush Textile Private Limited | - | - | 1.00 | 1.07 |
| HS Fitness Private Limited | - | - | 3.52 | 4.30 |
| DF Pharmacy Limited | - | - | 10.84 | 3.95 |
| Candes Technology Private Limited | - | - | 4.67 | 0.53 |
| Solarista Renewables Private Limited | - | - | 2.35 | 4.20 |
| Encasa Homes Private Limited | - | - | 0.14 | 0.05 |
| Frootle India Private Limited | - | - | 0.04 | 0.08 |
| Prayosha Expo Private Limited | - | - | 0.12 | 0.01 |
| Plantex E Commerce Private Limited | - | - | 0.18 | 0.53 |
| | | | | |
| **Subvention Fees Income** | **-** | **-** | **187.78** | **61.26** |
| Cloud Lifestyle Private Limited | - | - | - | 1.67 |
| Kuber Mart Industries Private Limited | - | - | 24.50 | 7.23 |
| Dynamic IT Solutions Private Limited | - | - | - | - |
| DF Pharmacy Limited | - | - | - | 1.32 |
| Candes Technology Private Limited | - | - | 24.72 | 4.80 |
| Solarista Renewables Private Limited | - | - | 61.30 | 4.97 |
| Encasa Homes Private Limited | - | - | - | - |
| Prayosha Expo Private Limited | - | - | 0.27 | 0.62 |
| Plantex E Commerce Private Limited | - | - | 7.44 | 4.13 |
| Eyezen Technologies Private Limited | - | - | 4.38 | 9.01 |
| HS Fitness Private Limited | - | - | 55.65 | 25.36 |
| Maxinique Solutions Private Limited | - | - | 3.24 | 0.98 |
| Frootle India Private Limited | - | - | 4.58 | 0.81 |
| HealthyHey Foods LLP | - | - | 1.70 | 0.36 |
| | | | | |
| **Business Support services Income** | **0.40** | **-** | **1.99** | **-** |
| GlobalBees Brands Private Limited | 0.40 | - | - | - |
| Frootle India Private Limited | - | - | 1.99 | - |
| | | | | |
| **Business Enablement Fees Income** | **-** | **-** | **378.74** | **-** |
| HealthyHey Foods LLP | - | - | 208.55 | - |
| Solarista Renewables Private Limited | - | - | 50.04 | - |
| Cloud Lifestyle Private Limited | - | - | 120.15 | - |

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(All amounts in INR Millions, unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| **Business Support services Expense** | **306.88** | **26.44** | **48.68** | **0.24** |
| GlobalBees Brands Private Limited | 306.88 | 26.44 | - | - |
| Prayosha Expo Private Limited | - | - | - | 0.24 |
| Kuber Mart Industries Private Limited | - | - | 35.33 | - |
| Butternut Ventures Private Limited | - | - | 2.15 | - |
| Candes Technology Private Limited | - | - | 11.01 | - |
| Dynamic IT Solutions Private Limited | - | - | 0.18 | - |
| **Business Enablement Fees Expense** | **48.89** | **35.38** | **239.78** | **120.04** |
| GlobalBees Brands Private Limited | 48.89 | 35.38 | - | - |
| Maxinique Solutions Private Limited | - | - | - | 2.45 |
| Better & Brighter Homecare Private Limited | - | - | 56.93 | 8.33 |
| HealthyHey Foods LLP | - | - | - | 0.39 |
| Dynamic IT Solutions Private Limited | - | - | 29.19 | 19.67 |
| Eyezen Technologies Private Limited | - | - | 0.08 | 2.71 |
| Butternut Ventures Private Limited | - | - | 6.62 | 6.89 |
| Mush Textile Private Limited | - | - | 5.31 | 8.74 |
| HS Fitness Private Limited | - | - | - | 2.40 |
| Frootle India Private Limited | - | - | - | 1.24 |
| Solarista Renewables Private Limited | - | - | - | 33.85 |
| Encasa Homes Private Limited | - | - | 1.23 | 0.44 |
| DF Pharmacy Limited | - | - | 119.40 | 28.14 |
| Cloud Lifestyle Private Limited | - | - | 12.44 | 1.51 |
| Candes Technology Private Limited | - | - | 5.32 | 1.44 |
| Kuber Mart Industries Private Limited | - | - | 1.90 | 1.84 |
| Prayosha Expo Private Limited | - | - | 1.36 | - |
| **LRD Fees Expense** | **-** | **-** | **23.83** | **-** |
| HealthyHey Foods LLP | - | - | 10.59 | - |
| Solarista Renewables Private Limited | - | - | 3.03 | - |
| Cloud Lifestyle Private Limited | - | - | 10.21 | - |

| **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, 2025** | **As at March 31, 2024** | **As at March 31, 2025** | **As at March 31, 2024** |
| **Reimbursement of Expenses** | **-** | **2.88** | **-** | **-** |
| GlobalBees Brands Private Limited | - | 2.88 | - | - |
| **Marketing expense** | **-** | **0.13** | **-** | **-** |
| Brainbees Solutions Limited | - | 0.13 | - | - |
| **Consultancy charges expense** | **-** | **-** | **22.98** | **23.84** |
| Shenzhen Starbees Services Limited | - | - | 22.98 | 23.84 |
| **Travelling & Conveyance expense** | **-** | **-** | **0.23** | **-** |
| Shenzhen Starbees Services Limited | - | - | 0.23 | - |
| **Warehouse Rent Expense** | **9.09** | **8.50** | **-** | **0.07** |
| Brainbees Solutions Limited | 9.09 | 8.50 | - | - |
| Digital Age Retail | - | - | - | 0.07 |
| **Rent expense on Plant & Machinery** | **3.11** | **-** | **-** | **-** |
| Brainbees Solutions Limited | 3.11 | - | - | - |
| **Purchase of fixed assets** | **0.09** | **-** | **-** | **-** |
| Brainbees Solutions Limited | 0.09 | - | - | - |
| **Shipping charges- outward expense** | **-** | **-** | **0.47** | **0.97** |
| Digital Age Retail | - | - | 0.47 | 0.97 |
| **Advertisement expense** | **-** | **-** | **0.23** | **-** |
| Digital Age Retail | - | - | 0.23 | - |
| **Interest Expense** | **55.51** | **50.96** | **34.02** | **2.00** |
| Globalbees Brands Private Limited | 55.51 | 50.96 | - | - |
| Prayosha Expo Private Limited | - | - | 6.00 | 2.00 |
| Digital Age Retail Private Limited | - | - | 28.02 | - |

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(All amounts in INR Millions, unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| **Interest Income** | **-** | **-** | **10.52** | **-** |
| Candes Technology Private Limited | - | - | 9.73 | - |
| Kitchenopedia Appliances Private Limited | - | - | 0.79 | - |
| **Issue of Equity Shares during the year** | **839.70** | **1,000.00** | **-** | **-** |
| Globalbees Brands Private Limited | 839.70 | 1,000.00 | - | - |
| **Employee stock option expense** | **1.88** | **-** | **-** | **-** |
| Globalbees Brands Private Limited | 1.88 | - | - | - |
| **Loan Given during the year** | **-** | **-** | **137.93** | **-** |
| Candes Technology Private Limited | - | | 122.93 | - |
| Kitchenopedia Appliances Private Limited | - | - | 15.00 | - |
| **Loan Repaid during the year** | **-** | **-** | **12.48** | **-** |
| Candes Technology Private Limited | - | - | - | - |
| Kitchenopedia Appliances Private Limited | - | - | 12.48 | - |
| **Borrowings Taken during the year** | **780.00** | **500.00** | **420.00** | **50.00** |
| Globalbees Brands Private Limited | 780.00 | 500.00 | - | - |
| Prayosha Expo Private Limited | - | - | - | 50.00 |
| Digital Age Retail Private Limited | - | - | 420.00 | - |
| **Borrowings Repaid/ Converted to equity during the year** | **780.00** | **800.00** | **-** | **-** |
| Globalbees Brands Private Limited | 780.00 | 800.00 | - | - |
| **Debentures Repaid during the year** | **20.00** | **-** | **-** | **-** |
| Globalbees Brands Private Limited | 20.00 | - | - | - |
| **Payables as at year end** | **568.85** | **235.31** | **355.04** | **379.51** |
| GlobalBees Brands Private Limited | 568.85 | 228.81 | - | - |
| Maxinique Solutions Private Limited | - | - | 44.84 | 46.81 |
| HealthyHey Foods LLP | - | - | 6.89 | - |
| Butternut Ventures Private Limited | - | - | 1.75 | 2.29 |
| Kuber Mart Industries Private Limited | - | - | 9.54 | 1.80 |
| Dynamic IT Solutions Private Limited | - | - | 10.04 | 52.21 |
| Mush Textile Private Limited | - | - | - | 1.30 |
| DF Pharmacy Limited | - | - | 132.44 | 74.23 |
| Solarista Renewables Private Limited | - | - | 35.55 | 157.34 |
| Encasa Homes Private Limited | - | - | 0.91 | 1.81 |
| Frootle India Private Limited | - | - | - | - |
| Prayosha Expo Private Limited | - | - | 1.33 | - |
| JW Brands Private Limited | - | - | - | 0.04 |
| Plantex E Commerce Private Limited | - | - | - | 15.39 |
| Kitchenopedia Appliances Private Limited | - | - | - | - |
| Better & Brighter Homecare Private Limited | - | - | 69.18 | 19.28 |
| Candes Technology Private Limited | - | - | 2.58 | 1.41 |
| Cloud Lifestyle Private Limited | - | - | 4.32 | 1.40 |
| Eyezen Technologies Private Limited | - | - | 0.08 | 2.66 |
| HS Fitness Private Limited | - | - | 5.70 | - |
| Mush Textile Private Limited | - | - | 12.57 | 1.04 |
| Digital Age Retail Private Limited | - | - | 0.40 | 0.50 |
| Brainbees solutions Private Limited | | 6.50 | - | - |
| Shenzhen Starbees Services Limited | - | - | 16.92 | - |
| **Receivables as at year end** | **0.00** | **-** | **505.93** | **346.86** |
| Better & Brighter Homecare Private Limited | - | - | - | - |
| Cloud Lifestyle Private Limited | - | - | 67.95 | 31.44 |
| Eyezen Technologies Private Limited | - | - | 16.83 | 14.05 |
| Butternut Ventures Private Limited | - | - | 0.39 | - |
| Mush Textile Private Limited | - | - | - | - |
| HealthyHey Foods LLP | - | - | 22.18 | 0.46 |
| Kuber Mart Industries Private Limited | - | - | 76.81 | 62.23 |
| HS Fitness Private Limited | - | - | 100.79 | 50.54 |
| Frootle India Private Limited | - | - | 2.99 | 97.80 |
| Candes Technology Private Limited | - | - | 146.17 | 57.36 |
| Encasa Homes Private Limited | - | - | 1.35 | - |
| GlobalBees Brands DWC LLC | - | - | - | 18.31 |
| Prayosha Expo Private Limited | - | - | 1.90 | 2.41 |
| Kitchenopedia Appliances Private Limited | - | - | 25.60 | 3.51 |
| JW Brands Private Limited | - | - | 0.10 | - |
| Plantex E Commerce Private Limited | - | - | 42.40 | - |
| Brainbees solutions Private Limited | 0.00 | - | - | - |
| Digital Age Retail Private Limited | - | - | 0.48 | 8.75 |

Merhaki Foods and Nutrition Private Limited
CIN - U24100RJ2017PTC059188
Notes forming part of the financial statements for the year ended March 31, 2025
(All amounts in INR Millions, unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| **Unbilled Revenue as at year end** | **-** | **-** | **188.00** | **20.53** |
| Maxinique Solutions Private Limited | - | - | 0.28 | 0.36 |
| Better & Brighter Homecare Private Limited | - | - | 0.42 | 0.12 |
| HealthyHey Foods LLP | - | - | 66.12 | 0.35 |
| Cloud Lifestyle Private Limited | - | - | 36.09 | 0.22 |
| Eyezen Technologies Private Limited | - | - | 0.08 | 0.19 |
| Butternut Ventures Private Limited | - | - | 0.25 | 0.21 |
| Kuber Mart Industries Private Limited | - | - | 10.24 | 0.39 |
| Dynamic IT Solutions Private Limited | - | - | 0.97 | 0.70 |
| Mush Textile Private Limited | - | - | 0.29 | 0.20 |
| HS Fitness Private Limited | - | - | 22.12 | 8.80 |
| DF Pharmacy Limited | - | - | 2.85 | 1.47 |
| Candes Technology Private Limited | - | - | 14.16 | 0.21 |
| Solarista Renewables Private Limited | - | - | 30.12 | 5.25 |
| Encasa Homes Private Limited | - | - | 0.05 | 0.01 |
| Frootle India Private Limited | - | - | 2.21 | 0.67 |
| Prayosha Expo Private Limited | - | - | 0.12 | 0.05 |
| Plantex E Commerce Private Limited | - | - | 1.64 | 1.33 |
| **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, 2025** | **As at March 31, 2024** | **As at March 31, 2025** | **As at March 31, 2024** |
| **Employee stock option reserve** | **1.88** | **-** | **-** | **-** |
| Globalbees Brands Private Limited | 1.88 | - | - | - |
| **Redeemable Non Convertible Debentures as at year end** | **-** | **20.00** | **-** | **-** |
| Globalbees Brands Private Limited | - | 20.00 | - | - |
| **Borrowings as at year end** | **-** | **-** | **470.00** | **50.00** |
| Globalbees Brands Private Limited | - | - | - | - |
| Prayosha Expo Private Limited | - | - | 50.00 | 50.00 |
| Digital Age Retail Private Limited | - | - | 420.00 | - |
| **Loan given as at year end** | **-** | **-** | **125.45** | **-** |
| Candes Technology Private Limited | - | - | 122.93 | - |
| Kitchenopedia Appliances Private Limited | - | - | 2.52 | - |
| **Interest Payable on Debentures as at year end** | **-** | **2.52** | **-** | **-** |
| Globalbees Brands Private Limited | - | 2.52 | - | - |
| **Interest Payable on Loan as at year end** | **0.02** | **8.34** | **25.68** | **-** |
| Globalbees Brands Private Limited | 0.02 | 8.34 | - | - |
| Prayosha Expo Private Limited | - | - | 0.46 | - |
| Digital Age Retail Private Limited | - | - | 25.22 | - |
| **Interest Receivable on Loan as at year end** | **-** | **-** | **9.04** | **-** |
| Candes Technology Private Limited | - | - | 8.76 | - |
| Kitchenopedia Appliances Private Limited | - | - | 0.28 | - |

(All amounts in INR Millions, unless otherwise stated)

**B35 Disclosures under Micro Small and Medium Enterprise Development Act, 2006**

| | Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| a | Amount remaining unpaid | | |
| | - Principal | 362.01 | 478.65 |
| | - Interest | - | - |
| b | The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, | - | - |
| c | 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. | - | - |
| d | The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| e | 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 over dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. However, the Company has not received any claim for interest from any supplier under the said act.

**B36 Employee benefit obligations**

**a) 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.

These defined benefit plans expose the group to acturial risk, such as Investment risk, longevity risk and salary risk

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk - A decrease In the bond interest rate will increase the plan liability.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and alter their employment. An increase in the life expectancy of the plan participants wlll incrcase the plan's liability.

Salary risk-The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such,an increase In the salary of the plan participants will increase the plan's liability.

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

| Description | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Present value of defined benefit obligation as at the start of the year | 1.36 | 0.52 |
| Current service cost | 1.71 | 0.83 |
| Interest cost | 0.10 | 0.03 |
| Actuarial loss/(gain) recognized during the year | (1.67) | (0.04) |
| **Present value of defined benefit obligation as at the end of the year** | **1.50** | **1.34** |

There are no plan assets.

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

| Description | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Current service cost | 1.71 | 0.83 |
| Interest cost | 0.10 | 0.03 |
| **Amount recognized in the statement of profit and loss** | **1.81** | **0.85** |

**Current / Non-current bifurcation**

| Description | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Current Benefit Obligation* | 0.00 | 0.00 |
| Non - current Benefit Obligation | 1.50 | 1.36 |
| **Liability recognised in Balance Sheet** | **1.50** | **1.36** |

**Amount recognised in other comprehensive income:**

| Description | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Amount recognised in OCI, beginning of the year | 0.25 | 0.29 |
| **Actuarial loss/(gain):** | | |
| change in financial assumptions | 0.06 | 0.01 |
| change in demographic assumptions | - | 0.00 |
| experience variance (i.e. Actual experience vs assumptions) | (1.73) | (0.05) |
| Return on plan assets, excluding amount recognised in net interest expense | - | - |
| **Amount recognised in OCI, end of the year** | **(1.42)** | **0.25** |

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(All amounts in INR Millions, unless otherwise stated)

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

| Description | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Amount recognized in Profit and loss | 1.81 | 0.86 |
| Amount recognized in Other Comprehensive Income | (1.67) | (0.04) |
| **Total Net Defined Benefit Cost/(Income) Recognized at Period-End** | **0.14** | **0.82** |

**Actuarial assumptions**

| Description | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Discount rate | 6.60% | 7.20% |
| 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, 2025 |
|---|---|
| Year-2026 | 0.00 |
| Year-2027 | 0.01 |
| Year-2028 | 0.07 |
| Year-2029 | 0.26 |
| Year-2030 | 0.59 |
| Year-2031 to Year 2035 | 5.25 |

**Sensitivity analysis**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Defined benefit obligation - Discount rate + 100 basis points | 1.41 | 1.28 |
| Defined benefit obligation - Discount rate - 100 basis points | 1.60 | 1.45 |
| Defined benefit obligation - Salary escalation rate + 100 basis points | 1.58 | 1.44 |
| Defined benefit obligation - Salary escalation rate - 100 basis points | 1.42 | 1.29 |
| Defined benefit obligation - Withdrawal rate + 100 basis points | 1.46 | 1.32 |
| Defined benefit obligation - Withdrawal rate - 100 basis points | 1.54 | 1.40 |

**Average Duration**

Weighted average duration of the plan is 9.83 years. (Previous year: 10.10 years)

**b) Defined Contribution Plans**

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

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## B37 Share based payment

**Equity settled share based payments**

The members of the Company had approved 'Globalbees Employee Stock Option Plan 2021' at the Extra-ordinary General Meeting held on October 11, 2021.

| Plan | Date of grant | No of options granted | No. of shares to be granted | Exercise price per share * | Weighted average Fair value per share |
|---|---|---|---|---|---|
| | 30-Nov-22 | 29,500 | 2.95 | 0.00 | 0.38 |
| | 1-Jan-24 | 9,790 | 0.98 | 0.00 | 0.26 |
| | 20-May-24 | 19,700 | 1.97 | 0.00 | 0.26 |
| | 1-Jan-25 | 189,100 | 18.91 | 0.00 | 0.35 |

* Exercise price represents Rs. 5 per share.

Vesting schedule for all the Grants mentioned above:
25% on completion of 12 months from grant date;
25% on completion of 24 months from grant date;
25% on completion of 36 months from grant date;
25% on completion of 48 month from grant date

**Movement of outstanding share options**

The number of share option under the Employee Stock Option Plan 2021 are as follows:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Outstanding as at beginning of the year | - | - |
| Granted during the year | 248,090 | - |
| Vested during the year | 17,198 | - |
| Forfeited during the year | - | - |
| Outstanding as at end of the year | 248,090 | - |
| Exercisable as at end of the year | - | - |

| | | |
|---|---|---|
| The fair value each option is estimated using the Black Scholes Option Pricing model | | |
| Weighted average fair value per option | INR 25.52 | INR 26.19 |

**Effect of share based payment transactions on the Standalone Statement of Profit and Loss:**

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Equity settled share based payments | 1.88 | - |
| **Total expense on share based payments** | **1.88** | **-** |

| Assumptions | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Expected Volatility (%) | 33.25 to 33.62 | - |
| Expected Life (in years) | 2.48 to 3.97 years | - |
| Expected Dividend (%) | - | - |
| Discount for lack of marketability (%) | 28 | - |
| Risk Free Interest Rate (%) | 6.36 to 6.41 | - |

## B38 Segment reporting

The Company is primarily engaged in the business of manufacturing and trading in multi-brand sectors like Appliances, Home Utilities, Fashion / Lifestyle and BPC / HPC category, which as per Indian Accounting Standard - 108 on 'Operating Segments' is considered to be the only reportable segment.

## B39 Key Financial Ratios

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | Change in % | Reason for change if more than 25% |
|---|---|---|---|---|
| Current ratio | 1.72 | 1.58 | -9% | Not appliacble |
| Debt Equity ratio | 0.62 | 0.76 | 18% | Not appliacble |
| Debt service coverage ratio | (0.18) | (2.45) | 93% | Refer note (i) below |
| Return on Equity (%) | (0.19) | (0.73) | 74% | Refer note (ii) below |
| Inventory Turnover ratio | 2.43 | 4.77 | 49% | Refer note (iii) below |
| Trade Receivables Turnover ratio | 11.48 | 17.89 | 36% | Refer note (iv) below |
| Trade Payables Turnover ratio | 5.34 | 8.93 | 40% | Refer note (v) below |
| Net Capital Turnover Ratio | 2.94 | 3.26 | 10% | Not appliacble |
| Net profit margin (%) | (0.06) | (0.13) | 54% | Refer note (vi) below |
| Return on Capital Employed (%) | (0.03) | (0.15) | 82% | Refer note (vii) below |
| Return on Investment | - | - | 0% | Not appliacble |

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**Note**

- **i** Primarily due to increase in borrowing
- **ii** Primarily due to issue of equity shares
- **iii** Primarily due to increase in inventory
- **iv** Primarily due to increase in turnover and receivables
- **v** Primarily due to increase in net purchases
- **vi** Primarily due increase in improvement in profit offset by increase in Capital employed
- **vii** 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 exculdes lease liabilities

**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 tax by Interest payment 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 isused. 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.

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**B40 Commitments and contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Claims against the firm not acknowledged as debts** | | |
| Indirect tax matters | 4.08 | - |
| Legal and other matters | 1.00 | - |

(i) It is not practicable for the company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

(ii) The company have reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

**B41 Recent pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new Indian Accounting Standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, as amended from time to time. During the year ended March 31, 2025, the MCA has not notified any new standards or amendments to existing standards that are applicable to the Company.

**B42** 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.

**B43 Previous year's figures**

The figures for the previous year have been regrouped / reclassified wherever necessary to conform with the current year's classification. These regroupings do not have any material impact on the financial results of the previous year unless otherwise stated.

**B44 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.

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:

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 - New Delhi
Date - May 22, 2025

BANSAL & CO LLP New Delhi Chartered Accountants

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

MERHAKI FOODS AND NUTRITION PVT. LTD.

| **Rohit Goyal** | **Anuj Jain** |
|---|---|
| Director | Director |
| DIN - 10558167 | DIN-11077148 |