

Independent Auditor's Report

To the Members of
DSM Fresh Foods Private Limited

Report on the audit of the Financial Statements

We have audited the financial statements of **DSM FRESH FOODS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, for example, Board's Report including Annexures to Board's Report but does not include the financial statements and our auditors' report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with



respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that



achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- i. planning the scope of our audit work and in evaluating the results of our work; and
- ii. to evaluate the effect of any identified misstatements in the financial statements.

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

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

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.

Other Matter

The financial statements of the company for the year ended March 31, 2021, were audited by another firm of chartered accountants under the act who, vide their report dated November 30, 2021, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of section 164 (2) of the Act.

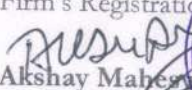


- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, the clause is not applicable to the Company as per notification G.S.R. 583 (E) dated June 13, 2017 under the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, the provisions of section 197 read with schedule V to the Companies Act relating to managerial remuneration are not applicable to the Company.
- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including any derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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(s) or entity(ies), including foreign entities ("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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether,
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For **B R Maheswari & Co. LLP**

Chartered Accountants

Firm's Registration No. 00103580000500050


Akshay Maheswari

Partner

Membership No. 504704

Place: Gurugram

Date: 21st September 2022

UDIN: 22504704AWVXR3045



Annexure 'A' to the Independent Auditors' Report

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- i)
 - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible assets.
 - (b) The tangible assets owned by the Company and forming part of the Property, Plant and Equipment, have been physically verified by the management during the previous year. According to the information and explanation given to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of Property, Plant and Equipment is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not have any immovable properties, and accordingly, reporting under clause 3(i)(c) of the Order is not applicable.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
 - (e) There are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.
- ii)
 - (a) In our opinion, the management has conducted physical verification of inventory at reasonable interval during the year and no material discrepancies between physical inventory and books records were noticed on physical verification.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records. The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets, and accordingly clause 3(ii)(b) of the order is not applicable.
 - iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties for the financial year 2021-22, and accordingly clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable.
 - iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any loans, investments, guarantees and security which are covered under the provisions of section 185 and 186 of the Act. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable
 - v) In our opinion and according to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposits during the year. Further, the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the



provisions of clause 3(v) of the Order are not applicable.

vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company

vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, except for the delay in a few cases pertaining to payment of TDS Liability. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable, are as follows:

Name of statute	Nature of the dues	Outstanding for more than 6 months as on Mar 31,2022.			Payment	Remarks
		Amount (₹ Thousands)	Period	Due Date		
TDS	TDS Payable	129.896	April 1,2021 to Aug 31, 2021	May 7,2021 to September 7, 2021	81.856 Paid on July 16, 2022	Payment made before filing of Income Tax Return for AY 22-23.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.

viii) (a) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed, as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) (a) According to the information and explanations given to us and on the basis of our audit procedures and on an overall examination of the financial statements of the Company, we report that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon;

(b) the Company has not been declared willful defaulter by any bank or financial institution or any government or any government authority;

(c) the Company did not have any term loan outstanding during the year and accordingly clause 3(ix) (c) of the Order is not applicable.

(d) no funds were raised on short-term basis by the Company which were utilized for long-term purposes.

(e) the Company did not take any fund from any entity or person on account of or to meet the obligation of its associates, subsidiaries or joint venture and hence clause 3(ix)(e) of the Order is not applicable to the



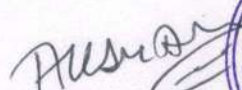
Company.

- (f) the Company did not raise any loans during the year on the pledge of securities in its subsidiaries or associates or joint ventures, hence clause 3(ix)(f) is not applicable.
- (x) (a) According to the information and explanations given to us and on the basis of our audit procedures and on an overall examination of the financial statements of the Company, we report that: the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (x) (a) of the Order are not applicable to the Company
- (b) the Company has made private placement of Compulsory Convertible Preference shares (CCPS). In our opinion, the Company has complied with the requirement of Section 42 and Section 62 of the Act and the Rules framed there under. Further, in our opinion, the funds so raised have been used for the General Corporate purposes for which the funds were raised.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company and hence, the provisions of clause 3(xii) of the Order are 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, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013. Accordingly, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with director/s or persons connected with the director/s. under section 192 of the Companies Act 2013. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) (a) of the order are not applicable.



- (b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, provisions of clause 3 (xvi) (b) of the order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) Based on the information and explanations provided by management, Company is not part of any Group which has one or more CIC's as part of Group.
- (xvii) The Company has incurred cash losses during the current financial year as well as during the immediately preceding financial year also.
- (xviii) There has been resignation of the statutory auditors during the year, however there were no objection, issues or concern raised by outgoing auditor.
- (xix) According to the information and explanations given to us and based on our examination of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and the Company is 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.
- (xx) The provisions of Section 135 of the Companies Act 2013 are not applicable to the Company. Accordingly, provisions of clause 3 (xx) (a) and (b) of the Order are not applicable.
- (xxi) The Company does not have any associate companies, joint ventures or subsidiaries at the reporting date and hence no consolidated financial statements are required to be prepared. Accordingly, clause (xxi) of the Order is not applicable.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001935N/N500050


Akshay Maheswari

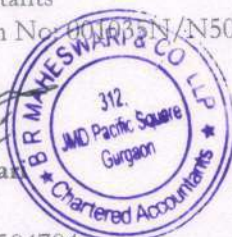
Partner

Membership No. 504704

Place: Gurugram

Date: 21st September 2022

UDIN: 22504704AWVXR3045



DSM Fresh Foods Private Limited
CIN: U52203DL2015PTC280514
Balance sheet as at 31 March 2022
(All amounts in '000' unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Equity and liabilities			
Shareholders' funds			
Share capital	3	823.38	800.98
Reserves and surplus	4	9,379.87	23,683.37
		<u>10,203.25</u>	<u>24,484.35</u>
Non-current liabilities			
Other long-term liabilities	5	-	1,037.33
Long-term provisions	6	1,319.76	1,192.32
		<u>1,319.76</u>	<u>2,229.66</u>
Current liabilities			
Short-term borrowings	7	8,720.47	-
Trade payables	8, 28	-	-
Total outstanding dues of micro enterprises and small enterprises		79,227.85	61,560.18
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other current liabilities	9	6,383.44	4,862.56
Short-term provisions	6	25.01	369.05
		<u>94,356.77</u>	<u>66,791.79</u>
		<u>105,879.78</u>	<u>93,505.79</u>
Assets			
Non-current assets			
Property, plant and equipment	10	5,806.66	17,196.85
Tangible assets	10	7.98	12.80
Intangible assets	11	2,878.46	3,264.59
Long-term loans and advances		<u>8,693.10</u>	<u>20,474.24</u>
Current assets			
Inventories	12	115.67	495.89
Trade receivables	13	82,036.15	56,946.34
Cash and bank balances	14	6,397.95	5,505.77
Short-term loans and advances	11	8,636.92	10,083.56
		<u>97,186.68</u>	<u>73,031.55</u>
		<u>105,879.78</u>	<u>93,505.79</u>

The summary of significant accounting policies and other explanatory information form an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

For B R Maheswari & Co LLP
Chartered Accountants
Firm Registration No.: 091035N/IN300050

Akshay Maheswari
Partner
Membership No.: 504704

Place : Gurugram
Date : 21st September 2022

For and on behalf of the Board of Directors of
DSM Fresh Foods Private Limited

Deepanshu Manchanda
Managing director
DIN: 07108044

Sandeep Kumar
Director
DIN: 08122549



DSM Fresh Foods Private Limited

CIN: U52203DL2015PTC280514

Statement of profit and loss for the year ended 31 March 2022

(All amounts in '000' unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue			
Revenue from operations	15	564,285.95	498,447.77
Other income	16	-	1,940.00
Total revenue		564,285.95	500,388.00
Expenses			
Cost of materials consumed	17	432,749.39	378,668.85
Changes in inventories of finished goods	18	380.22	222.37
Employee benefits expense	19	10,372.86	27,765.75
Finance costs	20	1,194.91	213.70
Depreciation and amortisation expense	10	2,093.25	7,709.11
Other expenses	21	149,557.02	215,675.18
Total expenses		596,347.65	630,254.95
Loss before/ after tax		- 32,061.70	- 129,866.95
Earnings per equity share	22		
Face value of share ₹ 10 (31 March 2021: ₹ 10)		(2.29)	(9.26)
Basic			

The summary of significant accounting policies and other explanatory information form an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For B R Maheswari & Co LLP

Chartered Accountants

Firm Registration No.: 001035N/10500050

Akshay Maheswari

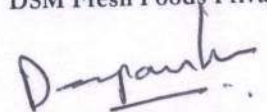
Partner

Membership No.: 504704

Place : Gurugram

Date : 21st September 2022

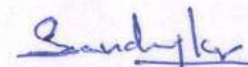
For and on behalf of the Board of Directors of
DSM Fresh Foods Private Limited



Deepanshu Manchanda

Managing director

DIN: 07108044



Sandeep Kumar

Director

DIN: 08122549



DSM Fresh Foods Private Limited

CIN: U52203DL2015PTC280514

Cash flow statement for the year ended 31 March 2022

(All amounts in '000' unless otherwise stated)

Notes	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flows from operating activities		
Net loss before tax	(32,061.70)	(129,867.17)
Adjustments:		
Depreciation and amortisation expense	2,093.25	7,709.11
Provision for doubtful debts/ advances	7,717.19	49,673.95
Interest expenses	1,050.97	41.33
Provision no longer required written back	-	(509.26)
Assets/ advances written off	8,848.97	5,591.26
Lease equalisation reserve	(1,037.33)	16.00
Interest on fixed deposits	-	(1,430.74)
Operating loss before working capital changes	(13,388.65)	(68,775.53)
Adjustments for movement in :		
Increase/(decrease) in trade payables	17,667.67	7,701.88
Increase/(decrease) in other current liabilities	1,493.43	(2,066.33)
Increase/(decrease) in provisions	(216.61)	350.00
Decrease/(increase) in inventories	380.22	222.36
Decrease/(increase) in trade receivables	(32,807.00)	544.75
Decrease/(increase) in short-term loans and advances	1,345.35	(6,732.01)
Decrease/(increase) in long-term loans and advances	485.00	532.21
(Increase) / decrease in other non-current assets	-	-
Cash used in operating activities	(25,040.59)	(68,222.67)
Income taxes paid	-	-
Cash used in operating activities	(25,040.59)	(68,222.67)
Direct taxes paid	(9.975)	(111.27)
Net cash used in operating activities (A)	(25,050.56)	(68,333.93)
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances and capital creditors)	(186.011)	(728.08)
Redemption of/ (investment in) deposits with banks having original maturity of more than three months (net)	-	25,500.00
Interest received	-	3,164.03
Net cash flow from/ (used in) investing activities (B)	(186.011)	27,935.95
C. Cash flows from financing activities		
Proceeds from issue of equity shares and 0.01% compulsory convertible preference shares	17,780.60	-
Proceeds from Sale of property, plant and equipment	678.65	-
Repayment of short-term borrowings (net)	8,720.474	-
Interest paid	(1,050.971)	(41.33)
Net cash flow from/ (used in) financing activities (C)	26,128.753	(41.33)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	892.178	(40,439.32)
Cash and cash equivalents as at the beginning of the year	5,505.77	45,945.09
Cash and cash equivalents as at the end of the year	6,397.95	5,505.77



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DSM Fresh Foods Private Limited

CIN: U52203DL2015PTC280514

Cash flow statement for the year ended 31 March 2022

(All amounts in '000' unless otherwise stated)

Notes:

- 1 The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on 'Cash Flow
- 2 Cash and cash equivalents at the end of the year include:

	As at 31 March 2022	As at 31 March 2021
Balances with bank	5,284.06	4,085.14
- in current accounts	1,113.89	1,420.63
Cash on hand		
	6,397.95	5,505.77

Significant accounting policies and other explanatory information

2

The summary of significant accounting policies and other explanatory information form an integral part of these financial statements. This is the cash flow statement referred to in our report of even date.

For B R Maheswari & Co LLP

Chartered Accountants

Firm Registration No.: 001695AN/1500050

Akshay Maheswari

Partner

Membership No.: 504704

Place : Gurugram

Date : 21st September 2022



For and on behalf of the Board of Directors of
DSM Fresh Foods Private Limited

Deepanshu Manchanda

Managing director

DIN: 07108044

Sandeep Kumar

Director

DIN: 08122549



	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
3 Share capital				
Authorised				
Equity shares of ₹ 10 each	100,000	1,000.00	100,000	1,000.00
0.0001% Compulsory Convertible Preference Shares of ₹ 100 each	100,000	1,000.00	100,000	1,000.00
0.001% Compulsory Convertible Preference Shares of ₹ 100 each	354	35.40	-	-
	<u>200,354</u>	<u>2,035.40</u>	<u>200,000</u>	<u>2,000.00</u>
Issued, subscribed and fully paid up shares				
Equity shares of ₹10 each	14,028	140.28	14,028	140.28
0.0001% compulsory convertible preference shares of ₹ 100 each	6,607	660.70	6,607	660.70
0.001% Compulsory Convertible Preference Shares of ₹ 100 each	224	22.40	-	-
Total	<u>20,859</u>	<u>823.38</u>	<u>20,635</u>	<u>800.98</u>

a) Reconciliation of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity shares				
Balance at the beginning of the reporting period	14,028	140.28	14,028	140.28
Add: issued during the year	-	-	-	-
Balance at the end of the reporting period	<u>14,028</u>	<u>140.28</u>	<u>14,028</u>	<u>140.28</u>
0.0001% Compulsory Convertible Preference Shares				
Balance at the beginning of the year	6,607	660.70	6,607	6,607.00
Add: Issued during the year	-	-	-	-
Balance at the end of the year	<u>6,607</u>	<u>660.70</u>	<u>6,607</u>	<u>6,607.00</u>
0.001% Compulsory Convertible Preference Shares				
Balance at the beginning of the year	-	-	-	-
Add: Issued during the year	224	22.40	-	-
Balance at the end of the year	<u>224</u>	<u>22.40</u>	<u>-</u>	<u>-</u>

b) Terms/rights

i) Equity shares

The Company has one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. All shareholders are equally entitled to dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

ii) 0.0001% Compulsory Convertible Preference Shares ('0.0001% CCPS')

During the year ended 31 March 2022, the Company has issued NIL (previous year : NIL) 0.0001% CCPS (face value of ₹ 100 each) at ₹ NIL. (previous year : ₹ NIL). Unless converted earlier in accordance with the terms, the tenure of the 0.0001% CCPS shall be 20 years from the date of allotment thereof. The 0.0001% CCPS carry a pre-determined dividend rate of 0.0001% p.a. Such dividend is cumulative and shall accrue from year to year, whether or not declared for such year. Also, if in any financial year, the board proposes distribution of profits as dividends to the equity shareholders, then the holders of the 0.0001% CCPS shall also be entitled to dividend which shall be equivalent to the dividend that it would have been entitled to, had such 0.0001% CCPS been converted into equity shares as per the terms of the agreement. In the event that the Company undertakes any form of restructuring of its share capital, then the holder of the 0.0001% CCPS shall be entitled to receive such number of equity shares as they would have been received if they had exercised the option to convert the 0.0001% CCPS immediately prior to the occurrence of such Capital Restructuring.

The holder of 0.0001% CCPS shall have the right to convert the 0.0001% CCPS into equity shares at the conversion price at any time upon the occurrence of : (i) Initial Public Offer, or (ii) On receipt of conversion notice, or (iii) Expiry date.

The holder of 0.0001% CCPS shall have the same voting right as if the same were converted into equity shares as per terms of agreement.



ii) 0.001% Compulsory Convertible Preference Shares ('0.001% CCPS')

During the year ended 31 March 2022, the Company has issued 224 (previous year : NIL) 0.001% CCPS (face value of ₹ 100 each) at ₹ 79277.68 (previous year : ₹ NIL) . Unless converted earlier in accordance with the terms, the tenure of the 0.001% CCPS shall be 20 years from the date of allotment thereof. The 0.001% CCPS carry a pre-determined dividend rate of 0.001% p.a. Such dividend is cumulative and shall accrue from year to year, whether or not declared for such year. Also, if in any financial year, the board proposes distribution of profits as dividends to the equity shareholders, then the holders of the 0.001% CCPS shall also be entitled to dividend which shall be equivalent to the dividend that it would have been entitled to, had such 0.001% CCPS been converted into equity shares as per the terms of the agreement. In the event that the Company undertakes any form of restructuring of its share capital, then the holder of the 0.001% CCPS shall be entitled to receive such number of equity shares as they would have been received if they had exercised the option to convert the 0.001% CCPS immediately prior to the occurrence of such Capital Restructuring.

The holder of 0.001% CCPS shall have the right to convert the 0.001% CCPS into equity shares at the conversion price at any time upon the occurrence of : (i) Initial Public Offer, or (ii) On receipt of conversion notice, or (iii) Expiry date.

The holder of 0.001% CCPS shall have the same voting right as if the same were converted into equity shares as per terms of agreement.

c) Shareholders holding more than 5% of the shares:

Equity shares of ₹10 each

Name of the holder

Deepanshu Manchanda
Shruti Gochhwal
Bhanu Singhal
A.R Chadha & Co India Private Limited

As at 31 March 2022		As at 31 March 2021	
Number	% shareholding	Number	% shareholding
4,246	30.27%	4,246	30.27%
4,246	30.27%	4,246	30.27%
950	6.77%	950	6.77%
721	5.14%	721	5.14%
10,163	72.45%	10,163	72.45%

0.0001% CCPS of ₹100 each

Name of the holder

Gyan Enterprises Private Limited
SIDBI Venture Capital Limited

Number	% shareholding	Number	% shareholding
2,219	33.59%	2,219	33.59%
4,388	66.41%	4,388	66.41%
6,607	100.00%	6,607	100.00%

0.001% CCPS of ₹100 each

Name of the holder

Om P. Manchanda
Anuj Harishankar Tosniwal

Number	% shareholding	Number	% shareholding
51	22.76%	-	0.00%
50	22.32%	-	0.00%
101	45.08%	-	0.00%

d) Details of Promoters holding shares of the company:

Name of the promoter

Deepanshu Manchanda

As at 31 March 2022		As at 31 March 2021	
Number	% shareholding	Number	% shareholding
4,246	30.27%	4,246	30.27%
4,246	30.27%	4,246	30.27%

As per the records of the Company, including the register of shareholders/members and other declarations received from shareholders regarding



c) Shares issued for consideration other than cash:

Particulars	During the year ended 31 March 2018
Number of shares issued pursuant to conversion of 0.001% CCD to equity shares	344
Apart from the above, there have been no shares which have been issued for a consideration other than cash or as bonus shares during the period of	

4 Reserves and surplus

Securities premium

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	397,042.76	397,042.76
Add: Additions made on issue of equity shares	-	-
Add: Additions made on issue of 0.0001% CCPS (refer note 3(b)(ii))	-	-
Add: Additions made on conversion of 0.001% CCD into equity shares (refer note 3(b)(iii))	17,758.20	-
Balance at the end of the year	<u>414,800.96</u>	<u>397,042.76</u>

Capital reserve

Balance at the beginning of the year	30.87	30.87
Changes during the year	-	-
Balance at the end of the year	<u>30.87</u>	<u>30.87</u>

Deficit in the statement of profit and loss

Balance at the beginning of the year	-	373,390.26	-	243,523.09
Add: Loss for the year	-	32,061.70	-	129,867.17
Balance at the end of the year	<u>-</u>	<u>405,451.96</u>	<u>-</u>	<u>373,390.26</u>
	<u>9,379.87</u>		<u>23,683.37</u>	



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	As at 31 March 2022	As at 31 March 2021
--	------------------------	------------------------

5 Other long-term liabilities

Rent equalisation reserve	-	1,037.33
	-	1,037.33

	As at 31 March 2022		As at 31 March 2021	
	Long-term	Short-term	Long-term	Short-term

6 Provisions

Provisions for employee benefits	479.58	11.87	374.24	8.86
Compensated absences	840.17	13.14	818.08	10.19
Gratuity	-	-	-	350.00
Provision towards customer loyalty programme	-	-	-	350.00
	1,319.76	25.01	1,192.32	369.05

Movement of provision towards customer loyalty programme:

	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	-	350.00
Additions during the year	-	-
Reversal/ utilisation during the year	-	350.00
At the end of the year	-	-

	As at 31 March 2022	As at 31 March 2021
--	------------------------	------------------------

7 Short-term borrowings

(Unsecured)

Loans

From banks

From other parties

	8,720.47	-
	8,720.47	-

1) Working capital loan represent ₹ 30,00,000 from Getvantage Tech Pvt Limited and is repayable in 1.5% of Total Revenue from all the channels as per GST or minimum monthly liability, whichever is higher subject to limit : Minimum monthly liability of ₹ 5,00,000 including interest. Rate of interest is 9.25% for each round + GST.

2) Loan of ₹ 75,00,000 taken from SVI Consolidated Private Limited in two tranches in equal amount. The Convertible Note shall accrue interest at a rate of 14%(fourteen percent) per annum from the date of issuance to the date of conversion or the date of maturity, as applicable. Interest shall be payable monthly. Maturity Date: Maturity Date shall be either earlier of (a) 8(eight) months from the date of issuance or (b) upon closure of Equity Financing Round. At any time after the Maturity Date, the Investor may, at its sole discretion require the Company to repay the full sum of Convertible Note and any accrued but unpaid interest thereon.

8 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 28)	79,227.85	61,560.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	79,227.85	61,560.18

Trade Payables Ageing Schedule

1-Apr-2021 to 31-Mar-2022

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	54623.76	22275.68	1711.43	616.99	79227.85
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	-
Grand Total	54623.76	22275.68	76899.44	616.99	79227.85

1-Apr-2020 to 31-Mar-2021

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	58638.38	2073.23	556.80	291.78	61560.18
(iii) Disputed MSME	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	-
Grand Total	58638.38	2073.23	60711.60	291.78	61560.18

9 Other current liabilities

Advance from customers	-	78.30
Capital creditors	30.00	2.55
Statutory dues payable	2,857.03	1,345.68
Employee related payable	2,983.32	3,059.75
Others	513.10	376.28
	6,383.44	4,862.56



(All amounts in '000' unless otherwise stated)

10 Property, plant and equipment	Tangible assets (A)							Intangible assets (B) Software	Property, plant and equipment (A+B)
	Leasehold improvements	Plant and machinery	Office equipments	Furniture and fittings	Computers	Total			
Balance as at 31 March 2020	21,910.93	14,547.64	3,127.12	4,057.92	3,597.91	47,241.53	71.20	47,312.73	
Additions	-	122.07	9.00	-	85.55	216.62	-	216.62	
Disposals/adjustments	4,804.80	-	-	-	-	4,804.80	-	4,804.80	
Balance as at 31 March 2021	17,106.13	14,669.71	3,136.12	4,057.92	3,683.46	42,653.35	71.20	42,724.55	
Additions	-	94.40	30.00	-	101.45	225.85	-	225.85	
Disposals/adjustments	11,777.47	6,861.84	2,509.79	1,438.65	2,139.44	24,727.20	-	24,727.20	
Balance as at 31 March 2022	5,328.66	7,902.28	656.33	2,619.27	1,645.47	18,152.00	71.20	18,223.20	
Accumulated depreciation and amortisation									
Balance as at 31 March 2020	6,979.66	4,846.16	2,460.68	2,602.49	2,669.06	19,558.05	50.47	19,608.52	
Charge for the year	4,030.01	2,232.86	305.42	526.07	606.81	7,701.17	7.93	7,709.11	
Disposals/adjustments	1,802.73	-	-	-	-	1,802.73	-	1,802.73	
Balance as at 31 March 2021	9,206.95	7,079.02	2,766.10	3,128.56	3,275.87	25,456.50	58.40	25,514.89	
Charge for the year	655.14	992.32	61.35	211.93	167.69	2,088.42	4.82	2,093.25	
Disposals/adjustments	5,825.03	4,017.34	2,239.30	1,146.48	1,971.44	15,199.58	-	15,199.58	
Balance as at 31 March 2022	4,037.06	4,054.00	588.15	2,194.01	1,472.12	12,345.34	63.22	12,408.56	
Net block									
Balance as at 31 March 2021	7,899.18	7,590.69	370.02	929.37	407.59	17,196.85	12.80	17,209.65	
Balance as at 31 March 2022	1,291.60	3,848.28	68.17	425.26	173.35	5,806.66	7.98	5,814.64	

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DSM Fresh Foods Private Limited

CIN: U52203DL2015PTC280514

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in '000' unless otherwise stated)

11 Loans and advances

(Unsecured considered good, unless otherwise stated)

	As at 31 March 2022		As at 31 March 2021	
	Long-term	Short-term	Long-term	Short-term
Security deposits	799.91	-	1,284.91	-
Capital advances	-	-	12.39	-
Advance income-tax	2,078.55	9.98	1,967.29	111.27
Advance to vendors	-	6,893.70	-	7,556.40
Advance to employees	-	1,733.25	-	1,988.17
Unsecured, considered good	-	1,052.55	-	1,052.55
Doubtful	-	1,052.55	-	1,052.55
Less: Provision for doubtful advance	-	-	-	427.72
Prepaid expenses	2,878.46	8,636.92	3,264.59	10,083.56

12 Inventories (valued at cost and net realisable value whichever is lower)

Chicken, mutton and sea food

	As at 31 March 2022	As at 31 March 2021
	115.67	495.89
	<u>115.67</u>	<u>495.89</u>

13 Trade receivables

Outstanding for a period exceeding six months from the due date

Secured, considered good

Unsecured, considered good

Unsecured, considered doubtful

Less: Provision for doubtful debts

	46,658.32	24,227.74
	48,297.08	55,710.31
	94,955.41	79,938.05
	48,297.08	55,710.31
	<u>46,658.32</u>	<u>24,227.74</u>

Other trade receivables

Secured, considered good

Unsecured, considered good

	35,377.83	32,718.61
	<u>82,036.15</u>	<u>56,946.34</u>

Trade Receivable Ageing Schedule

1-Apr-2021 to 31-Mar-2022

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months to 1 year	1-2 year	2-3 year	More than 3 Year	
(i) Undisputed Trade Receivables – considered good	46658.32	35377.83				82036.15
(ii) Undisputed Trade Receivables – considered doubtful			98.98	42071.52	6126.59	48297.08
(iii) Disputed Trade Receivables – considered good						
(iv) Disputed Trade Receivables – considered doubtful						
Grand Total	46658.32	35377.83	98.98	42071.52	6126.59	130333.24

1-Apr-2020 to 31-Mar-2021

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months to 1 year	1-2 year	2-3 year	More than 3 Year	
(i) Undisputed Trade Receivables – considered good	48518.93	350.11				48869.04
(ii) Undisputed Trade Receivables – considered doubtful			57573.25	4596.52	1617.85	63787.61
(iii) Disputed Trade Receivables – considered good						
(iv) Disputed Trade Receivables – considered doubtful						
Grand Total	48518.93	350.11	57573.25	4596.52	1617.85	112656.65

14 Cash and bank balances

Cash and cash equivalents

Balances with bank

- in current accounts

Cash on hand

	5,284.06	4,085.14
	1,113.89	1,420.63
	<u>6,397.95</u>	<u>5,505.77</u>

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DSM Fresh Foods Private Limited
CIN: U52203DL2015PTC280514

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts in '000' unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
15 Revenue from operations	564,285.95	498,447.77
Sale of products	<u>564,285.95</u>	<u>498,447.77</u>
16 Other income	-	1,430.74
Interest on fixed deposits	-	509.26
Provision no longer required written back	<u>-</u>	<u>1,940.00</u>
17 Cost of material consumed	432,749.39	378,668.85
Raw material consumed	<u>432,749.39</u>	<u>378,668.85</u>
18 Changes in inventories of finished goods	495.89	718.25
Opening stock	115.67	495.89
Closing stock	<u>380.22</u>	<u>222.36</u>
19 Employee benefits expense	9,752.76	24,934.63
Salaries, wages and bonus	255.20	1,176.85
Contribution to provident and other funds	25.05	-
Other employee benefits (also refer note 26)	339.86	1,654.27
Staff welfare expenses	<u>10,372.86</u>	<u>27,765.75</u>
20 Finance costs		
Interest on:	143.94	172.36
withholding income- tax/ GST	1,050.97	41.33
others	<u>1,194.91</u>	<u>213.70</u>
21 Other expenses	729.35	2,649.15
Power and fuel	944.08	5,531.37
Rent		
Repairs and maintenance	31.36	323.43
Plant and machinery	525.26	1,943.04
Others	2.40	235.73
Rates and taxes	43,085.92	38,186.95
Delivery charges	52,095.72	74,561.44
Advertisement and marketing expenses	30,200.96	21,407.88
Outsourced services charges	4,376.21	10,557.91
Legal and professional fees (refer note A below)	177.05	445.97
Office expenses	225.11	1,362.83
Travelling and conveyance expenses	8,848.97	5,591.26
Assets/ advances written off	-	354.67
Provision for doubtful advances	7,717.19	49,319.28
Provision for doubtful debts	597.44	3,204.27
Miscellaneous expenses	<u>149,557.02</u>	<u>215,675.18</u>
A. Includes payment to auditors'		
As auditors':	400.00	900.00
Statutory audit	10.40	10.40
Reimbursement of expenses	<u>410.40</u>	<u>910.40</u>



	Year ended 31 March 2022	Year ended 31 March 2020
22 Earnings per equity share		
Net loss after tax available for equity shareholders (₹) (A)	(32,061.70)	(129,867.17)
Total number of equity shares outstanding at the end of the year	14,028	14,028
Weighted average number of equity shares (B)	14,028	14,028
Face value per share (₹)	10	10
Basic earnings per share (A)/(B) (₹)	(2.29)	(9.26)
23 Contingent liabilities		
Cases pending before Appellate authorities in respect of disputed payable balances to vendors	437	437
	<u>437</u>	<u>437</u>
24 Related party disclosures		
A. Key management personnel (KMP)		
Mr. Deepanshu Manchanda (Managing Director)		
Mr. Sandeep Kumar (Director)		
Mr. Sajit Kumar (Director)		
Ms. Shruti Gochhwal (Director) (till 29 March 2021)		
B. Relative of Key management personnel (KMP)		
Mr. Mange Ram Gochhwal (Father of Ms. Shruti Gochhwal)		
M.R. Gochhwal (HUF) (HUF in which father of Ms. Shruti Gochhwal is Karta)		
C. Transactions with related parties :-		
Remuneration to KMP		
Mr. Deepanshu Manchanda	1,800.00	2,240.02
Mrs. Shruti Gochhwal	-	3,616.57
Rent		
Mr. Mange Ram Gochhwal	-	25.00
M.R. Gochhwal (HUF)	-	180.00
Expenses paid by others on behalf of the Company		
Mr. Deepanshu Manchanda	2,963.56	8,410.14
Mrs. Shruti Gochhwal	-	3,084.96
D. Balances outstanding as at year end:		
Advance recoverable		
Mr. Deepanshu Manchanda	1,532.89	1,778.38
Mrs. Shruti Gochhwal	-	-



25 The information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per revised Schedule III of Companies Act, 2013:

	Year ended 31 March 2022		Year ended 31 March 2021	
	Amount	Percentage	Amount	Percentage
Raw material consumed				
Imported	-	-	-	-
Indigenous	432,749.39	100%	378,668.85	100%
	<u>432,749.39</u>	<u>100%</u>	<u>378,668.85</u>	<u>100%</u>

26 Employee benefits

Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 “Employee Benefits (Revised 2005)” prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) is as follows:

Defined contribution plans:

An amount of ₹ 2,55,198 (previous year ₹ 11,76,847) pertaining to employers' contribution to provident fund, employees state insurance fund and labour welfare fund is recognised as an expense in the statement of profit and loss account.

Defined benefit plan:

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post employment benefit to its employees in the form of gratuity. In accordance with the Accounting Standard, the principal actuarial assumptions relating to the Company's gratuity plan are as provided below:

a) Economic assumptions:

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.76%	6.76%
Salary growth rate	8.00%	8.00%

b) Demographic assumptions:

	58 years IALM (2012-14)	58 years IALM (2012-14)
Retirement age		
Mortality table		
Withdrawal rates		
Upto 30 years	5.00%	5.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	2.00%	2.00%

27 Disclosures in respect of non-cancellable operating leases:

The Company has taken various premises under non-cancellable operating lease agreements for use for business operations. The lease term of these leases range between 1 to 9 years and they are renewed by mutual consent. There are no sub lease or restriction imposed by the lease arrangements. This lease agreement was terminated in April 2022.

	As at 31 March 2022	As at 31 March 2021
Non-cancellable operating lease rentals payable as follows:		
Payable not later than one year	-	2,484,000
Payable later than one year not later than five years	-	10,845,000
Payable later than five years	-	-
Total	-	13,329,000



DSM Fresh Foods Private Limited

CIN: U52203DL2015PTC280514

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in '000' unless otherwise stated)

28 Dues to small and micro enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006 #:

Principal amount outstanding

Interest due thereon

Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year

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

Interest accrued and remaining unpaid as at the end of year

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

The details of amounts outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per information available with the Company.

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DSM Fresh Foods Private Limited

CIN: U52203DL2015PTC280514

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in '000' unless otherwise stated)

29 Analytical Ratios

Name of Ratios	As at 31.03.2022	As at 31.03.2021	% Variance	Reason for variance
i) Current Ratio (CR) Current Assets CR = Current Liabilities	1.03	1.09	-0.06	Due to increase in Current liability
ii) Debt Equity Ratio (Long term borrowing) (DER) Total Debt DER = Shareholder's Equity	NA	NA		No Long term debts are exist
iii) Debt Service Coverage Ratio (DSCR) Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.) DSCR=..... Debt Service (Interest & Lease Payments + Principal Repayments "Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income)	NA	NA		No Long term debts are exist
iv) Return on Equity Ratio (ROE) Net Profits after taxes – Preference Dividend (if any) ROE = Average Shareholder's Equity	(2)	(7)	-2.52	Due to decrease in loss
v) Inventory Turnover Ratio (ITR)	1,416.49	624.13	1.27	Due to increase in Cost of material consumed
vi) Trade Receivables Turnover Ratio (TRTO)	8.12	6.09	0.33	Due to increase in sale
vii) Trade Payables Turnover Ratio (TPTR) Net Credit Purchase TPTR = Average Trade Payables	6.15	6.56	-0.06	Due to increase in Trade payable
viii) Net Capital Turnover Ratio (NCTR) Net Sales NCTR=..... Average Working Capital (Current Assets - Current Liabilities)	124.43	7.57	15.43	Due to Decrease in Average working capital
ix) Net Profit Ratio (NPR) Net Profit NPR = Net Sales	-0.06	-0.26	-3.59	Due to decrease in loss and increase in sale
x) Return On Capital Employed (ROCE) Earning before interest and taxes ROCE = Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	-2.69	-4.86	-0.45	Due to decrease in capital employed
xi) Return On Investment (ROI)	NA	NA		No investment was made



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(All amounts in '000' unless otherwise stated)

30 Information under Section 186(4) of the Companies Act, 2013

There are no investments made or loan given or guarantee provided or security given by the Company during the current and previous financial year.

31 Deferred tax

As at the year end, the Company would have net deferred tax asset primarily comprising of unabsorbed depreciation and carry forward losses under Income tax laws. In the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, the Company has not recognised resulting deferred tax asset. The breakup is as follows:

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets comprises of:		
Timing differences related to		
-Provision for employee benefits	349.64	314.96
-Provision for doubtful debts/ advances	13,462.43	14,758.35
-Rent equalisation reserve	269.71	269.71
-Difference on account of depreciation and amortisation of property, plant and equipment	5,621.69	2,663.85
Carried forward losses and unabsorbed depreciation	85,826.86	80,320.89
Deferred tax asset recognised	-	-

32 Pursuant to Taxation Laws (Amendment) Act, 2019, effective 1 April 2019, domestic companies have the option to pay corporate income tax at the lower rate ('new tax regime'), subject to certain conditions. As at 31 March 2021, the Company has decided to continue to be taxed as per the normal provisions of Income-tax Act, 1961.

33 The business activities of the Company predominantly fall within a single primary business segment, i.e., supply of meat products in Delhi NCR region. There are no separate reportable businesses or geographical segments that meet the criteria prescribed in Accounting Standard (AS-17) on Segment Reporting.

34 COVID-19 continues to spread across the globe including India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. In view of the highly uncertain economic environment, the extent to which the COVID-19 pandemic will impact the business of the Company depends upon future developments that cannot be predicted reliably at this stage. However, based on the preliminary estimates, the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. The Company resumed its operations on relaxation of lockdown as per government guidelines. The Company will continue to closely monitor any material changes arising due to the impact of this pandemic/future economic conditions impacting the financial and operational performance of the Company and take necessary measures to address the situation.

35 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment, received Presidential assent in September 2020. The Code has been published in the official Gazette of India, however, the date on which the Code will come into effect is yet to be notified and the final rules/ interpretations are yet to be issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code and rules thereon becomes effective.

36 Previous year amounts have been regrouped and/or reclassified wherever necessary to confirm to those of the current year's grouping and/or classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For B R Maheswari & Co LLP

Chartered Accountants

Firm Registration No.: 0010353/N1500050

Akshay Maheswari
Partner
Membership No.: 504704

Place : Gurugram

Date : 21st September 2022

For and on behalf of the Board of Directors of
DSM Fresh Foods Private Limited

Deepanshu Manchanda
Managing director
DIN: 07108044

Sandeep Kumar
Director
DIN: 08122549



1. Corporate information

DSM Fresh Foods Private Limited (the 'Company') was incorporated on May 20, 2015 under the Companies Act, 2013. The Company is engaged in supplying of high quality raw meat and pre-cooked products through online mode (website and mobile application).

2. Basis of preparation

These financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). These financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies adopted by the Company are consistent with those followed in the previous year.

While the Company earned positive EBITDA/ gross margin from its operations during the current year, the Company continued to implement various measures such as enhancing customer experience, improving selling and distribution network, revenue management, redeployment of capacity in certain key focus markets and employee compensation revisions, to help the Company establish consistent profitable operations and cash flows in future and consequently, the Company incurred overall loss during the year ended 31 March 2022 although its net worth and net working capital continued to be positive. Improvements in certain macroeconomic factors relevant to the Company's business and operations are expected to increase operational efficiency and support cash profitable operations in future. Based on the foregoing and its effect on business plans and cashflow projections coupled with additional fund infusion by new investors subsequent to the year-end and ongoing discussions with certain other large investors, the management is of the view that the Company will be able to achieve profitable operations and raise additional funds as and when necessary, in order to meet its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on the basis that the Company will be able to continue as a going concern for the foreseeable future.

The Company is the Small and Medium Sized Company ('SMC') as defined in the general instructions in respect of Accounting Standards notified under the Act. Accordingly, the Company has complied with the Accounting Standards as applicable to a SMC. Pursuant to exemptions/relaxations applicable to a SMC, the Company has not disclosed information as specified in Accounting Standard 15 – Employee Benefits and Accounting Standard 20 – Earnings Per Share.

2.1 Summary of significant accounting policies

i. Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, recognised in the period in which the same is determined.



ii. **Current versus non-current classification**

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on its activities, the Company has determined its operating cycle to be of twelve months for the purpose of classification of its assets and liabilities as current and non-current.

iii. **Property, plant and equipment and intangible assets**

Property, plant and equipment ('PPE')

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discount and rebate and any direct attributable expenditure on making the asset ready for its intended use.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day to day repair and maintenance expenditure and cost of reducing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital work-in-progress is valued at cost.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from sale/derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.



Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to them will flow to the Company and the cost of such asset can be measured reliably. These assets are valued at cost which comprises the purchase price and any directly attributable expenditure on making the asset ready for its intended use. Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

iv. Depreciation and amortisation

Depreciation on property, plant and equipment and intangible asset being computer software is calculated on written down value method basis so as to write off the cost of the asset less residual value over the useful life as prescribed under the Schedule II to the Companies Act, 2013. The Company has used the following useful life to provide depreciation/ amortisation:

Asset description	Useful life
Leasehold improvements	Over the period of lease
Furniture and fittings	10 years
Office equipments	5 years
Computer equipments	3 years
Plant and machinery	8-15 years
Computer software	6 years

The residual values, useful lives and method of depreciation and amortisation of property, plant and equipment are reviewed at each balance sheet date and adjusted prospectively, if appropriate.

v. Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

vi. Inventories

Inventories are valued at lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition. Value of inventories is ascertained on first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

vii. Taxation

The tax expense comprises of current tax and deferred tax. Current tax is measured at the amount of income tax expected to be paid to the tax authorities in accordance with the Income- tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) by using the tax rates and the tax laws that are enacted at the reporting date.



Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognised/derecognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

viii. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, usually on delivery of the goods and are recorded net of sales tax/goods and service tax, sales returns and trade discount

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

ix. Employee benefits

a. Short-term employee benefits:

All employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. The benefits include salaries, wages and bonus. Short-term employee benefits expected to be paid in exchange for the services rendered are recognised on undiscounted basis.

b. Defined contribution plans:

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are defined contribution plans and the contributions are charged to the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

c. Defined benefit plans

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The Company has unfunded gratuity as defined benefit where the amount that employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses are determined.



d. Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

x. Cash and cash equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash on hand and cash at bank in current and deposit accounts with an original maturity of three months or less.

xi. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

xii. Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

xiii. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not disclosed to their present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and are adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

