

## INDEPENDENT AUDITORS' REPORT

**To the Members of Morton Foods Limited**  
**(Formerly Known as Allahabad Canning Limited)**  
**Report on the Audit of the Financial Statements**

### Qualified Opinion

We have audited the accompanying financial statements of Morton Foods Limited ("the Company") (Formerly known as Allahabad Canning Limited), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

As indicated in Note 12 to the Financial Statements, the Company had recognized Deferred Tax Asset (DTA)(net) of Rs.450.53 Lakhs for the year ended in March 31, 2022, based on the future profitability projections made by the Management. The Company, however, has not recognised any further DTA during the current year and in the previous year ending March 31, 2023 as a matter of prudence. In our Opinion, in the absence of any convincing evidence that sufficient taxable profit will be available against which the unused losses can be utilised by the entity, as required in terms of Indian Accounting Standard 12, had the company reversed the above DTA, loss before tax for the year ended 31st March, 2024 would have been Rs.2,453.19 as against the reported loss of Rs. 2,002.66 Lakhs and other equity would have been (-) Rs.242.73 Lakhs as against the reported figure of (+) Rs.207.80 Lakhs.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013, as amended ("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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 35 to the accompanying financial statements which indicates that the Company has incurred a net loss before tax of Rs. 2,002.66 Lakhs during the year ended 31<sup>st</sup> March, 2024 and as of that date the Company's net worth is substantially eroded. These conditions indicate the existence of material uncertainty on the company's ability to continue as a going concern. However, the financial statement of the Company has been prepared on a going concern basis based on the reason stated in the aforesaid note.

Our Opinion is not modified in respect of this matter.



## Information other than the financial statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by 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 1" 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 purposes of our audit;
  - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 except for the matters stated in the paragraph 2(i)(vi) below on reporting under 11(g) of the Companies (Audit and Auditors) Rules, 2024;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above. In our opinion, the aforesaid 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraphs and paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014;
- (g) With respect to the adequacy of the internal financial controls of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- (h) The Company has not paid any managerial remuneration for the year ended March 31, 2024 to its director.
- (i) With respect to the other matters to be included in the Auditors' 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 impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the 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 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, as disclosed in the notes 42 to the financial statements, 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 persons or entities, 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 to or on behalf of the Ultimate Beneficiaries (refer note – 42(i) to the financial statements);  
(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes 42 to the financial statements, no funds have been received by the company from any persons or entities, 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 (refer note –42(ii)to the financial statements);and  
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that there presentations under sub-clause(a)and(b) contain any material mis-statement.
  - v. The Company has not declared or paid dividend during the year ended 31<sup>st</sup> March, 2024.



- vi. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account 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 except that the feature of recording audit trail (edit log) facility was not enabled at the database level for the FactoHR payroll software to log any direct data changes. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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

For Singhi & Co.  
Chartered Accountants  
Firm's Reg. No. 302049E



*Sankar Bandyopadhyay*

Sankar Bandyopadhyay  
Partner

Membership No.08230  
UDIN: 24008230BKAKRD8751

Place: Kolkata

Date: 9<sup>th</sup> May, 2024

## ANNEXURE-1 TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditor's Report to the member of the company on the Financial Statements of the year ended March 31, 2024, we report that: -

- i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- b) According to the information and explanation given to us and on the basis of the of our examination of the records of the company, all Property, Plant and Equipment were physically verified by the management during financial year 2021-22 in accordance with a planned program of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the financial statements included in property, plant and equipment are held in the name of the Company except title deeds of the immovable Properties, in the nature of freehold land , as indicated below are not held in the name of the Company.

Description of Property	Gross carrying value (Rs. In Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company*
Land situated at Village Jhapia, PO Bamrauli, District Allahabad	Rs. 4030.65	New Swedeshi Sugar Mills, merged with Magadh Sugar Mills Limited	No	Since April 1, 2015, till date.	Transferred to the Company pursuant to Scheme of Arrangement, Mutation in the name of the company is pending as on the Balance Sheet date

- d) As disclosed in note 4(a) to the financial statements, the Company has revalued its land during the year ended March 31, 2022. On subsequent revaluation during 2022-23 & 2023-24 no change in value of its land was reported by the registered valuer in its report. The Company has not capitalized any intangible assets in the books of the Company.
- e) As per the information and explanation given to us, 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) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed.
- (b) As disclosed in Note 17 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. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are not in agreement with the audited/ unaudited books of accounts of the Company.



(Rs. in Lakhs)

Quarter	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancy
<b>Inventory less Margin and Trade Receivable less Margin</b>						
Jun-23	ICICI Bank	Cash Credit Limit	1,862.96	1,862.96	-	Stock in transit was omitted to be shown in books of Accounts
Sep-23			1,549.76	1,798.81	249.05	
Dec-23			1,691.57	1,933.69	242.12	
Mar-24			1,469.62	1,469.62	-	

- 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 provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties and has not made any investment during the year. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. 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 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. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- vii.(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) According to the records of the Company, 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 which 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	Remarks, if any
The Uttar Pradesh Value Added Sales Tax Act	Sales Tax	1,65,000	FY 1993-94 1996-97 1997-98	Assistant Commissioner (Appeal)	



viii. 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 surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. a) The Company has defaulted in repayment of interest to Ganges Securities Limited during the year as stated below. This matter has been disclosed in note 20(ii) to the Financial Statement.

Nature of borrowing	Name of the Lender	Amount Not paid on due date (Rs.)	Whether Principal or Interest
Inter Corporate Deposit	Ganges Securities Limited	50,85,911	Interest

b) According to the information and explanation given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any term loans outstanding during the year.

d) According to the information and explanation given to us and on the basis of our examination of the financial statements of the Company, no funds raised on the short-term basis have been used for long term purposes by the Company. Accordingly, the requirement to report on clause ix(d) of the order is not applicable to the Company.

e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

x. a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) 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 respectively during the year. Hence the requirement to report on clause 3(x)(b) of the order is not applicable to the Company.

xi. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit. Accordingly, the requirement to report on clause 3(xi)(a) is not applicable to the Company.

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. Accordingly, the requirement to report on clause 3(xi)(b) is not applicable to the Company.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year. Accordingly, the requirement to report on clause 3(xi)(c) is not applicable to the Company.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a) to (c) of the Order is not applicable.

xiii. According to the explanation and information given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act 2013, where applicable and details of such transaction have been disclosed in the Financial statements as required by applicable Standards. Accordingly, the requirement to report on clause 3(xiii) is not applicable to the Company.



- xiv. According to the explanation and information given to us and based on our examination of the records of the Company, the Company is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) to (b) of the Order is not applicable to the Company.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) & (b) of the Order is not applicable to the Company.
- (b) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us, the Group has one Core Investment Company as part of the Group.
- xvii. The Company has incurred cash losses of Rs.1,666.64 Lakhs in the current year ending March 31, 2024 and Rs.1,813.00 Lakhs in the immediately preceding Financial Year ending March 31, 2023.
- 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. As referred to in 'Material uncertainty related to Going concern' paragraph in our main audit report and as disclosed in Note 40 to the financial statements which includes the financial ratios and ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that the Company may not be 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, further state that this is not an assurance as to the future viability of the Company and 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 provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statement of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Singhi & Co.

Chartered Accountants

Firm Reg. No. 302049E



*Sankar Bandyopadhyay*  
Sankar Bandyopadhyay  
Partner

Membership No. 08230

UDIN: 24008230BKAKRD8751

Place: Kolkata

Date: May 09<sup>th</sup>, 2024

## ANNEXURE - 2 TO THE INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls of Morton Foods Limited (Formerly known as Allahabad Cannings Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls 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 with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements 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.

Place: Kolkata

Date: 9<sup>th</sup> May, 2024



For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E

A handwritten signature in blue ink, appearing to read "Sankar Bandyopadhyay".

Sankar Bandyopadhyay  
Partner

Membership No. 08230  
UDIN: 24008230BKAKRD8751

**Morton Foods Limited**  
(Formerly known as Allahabad Canning Limited)  
CIN: U15122UP2015PLC069645  
Balance Sheet as at 31st March, 2024



(₹ in Lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	4,463.64	4,496.72
₹ (b) Right to use asset	4.1	9.01	30.65
(c) Intangible Assets	5	32.11	46.41
<b>(d) Financial Assets</b>			
(i) Investments	6	0.01	0.01
(ii) Other Financial Assets	10	11.60	18.24
(e) Non Current Tax Assets (net)	11	0.82	1.23
(f) Deferred Tax Assets (net)	12	450.53	450.53
(g) Other Non-current Assets	13	1.10	15.30
<b>Total Non-current Assets</b>		<b>4,968.82</b>	<b>5,059.09</b>
<b>2. Current Assets</b>			
(a) Inventories	7	1,034.16	1,797.70
<b>(b) Financial Assets</b>			
(i) Trade Receivables	8	435.46	248.64
(ii) Cash and Cash Equivalents	9	8.76	22.88
(iii) Other Financial Assets	10	18.40	-
(c) Other Current Assets	14	177.57	473.89
<b>Total Current Assets</b>		<b>1,674.35</b>	<b>2,543.11</b>
<b>TOTAL ASSETS</b>		<b>6,643.17</b>	<b>7,602.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	2,110.15	2,110.15
(b) Other Equity	16	207.80	2,202.69
<b>Total Equity</b>		<b>2,317.95</b>	<b>4,312.84</b>
<b>LIABILITIES</b>			
<b>1. Non-Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Lease Liabilities	18	-	8.48
(ii) Other Financial Liabilities	20	18.17	26.22
(b) Provisions	21	26.83	14.98
<b>Total Non-current Liabilities</b>		<b>45.00</b>	<b>49.68</b>
<b>2. Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	17	3,021.00	1,969.60
(ii) Lease Liabilities	18	11.26	26.85
(iii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises	19	130.69	28.66
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	855.59	921.19
(iv) Other Financial Liabilities	20	142.90	102.04
(b) Provisions	21	23.96	68.62
(c) Other Current Liabilities	22	94.82	122.72
<b>Total Current Liabilities</b>		<b>4,280.22</b>	<b>3,239.68</b>
<b>Total Liabilities</b>		<b>4,325.22</b>	<b>3,289.36</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,643.17</b>	<b>7,602.20</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.  
Chartered Accountants  
ICAI Firm's Registration No.: 302049E  
Sankar Bandyopadhyay  
Partner  
Membership No.: 08230  
Place: Kolkata  
Date: 9th May, 2024



Pradipta Kumar Sahoo Chandra Shekhar Nopany  
Whole-time Director and CEO  
DIN: 05163167  
DIN: 00014587

Vikram Kumar Mishra  
Vikram Kumar Mishra  
Company Secretary

**Morton Foods Limited**

(Formerly known as Allahabad Canning Limited)

CIN: U15122UP2015PLC069645

Statement of Profit and Loss for the year ended 31st March, 2024



(₹ in Lakhs)

Particulars	Notes	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
<b>I. INCOME</b>			
Revenue from Operations	23	3,500.95	4,538.41
Other Income	24	6.07	34.35
<b>Total Income</b>		<b>3,507.02</b>	<b>4,572.76</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	25	696.81	1,051.70
Purchase of Stock-in-trade		1,076.14	1,595.74
Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress	26	504.30	(121.91)
Employee benefits expense	27	1,094.83	1,459.16
Finance costs	28	254.89	287.16
Depreciation and amortization expense	29	70.20	77.16
Other expenses	30	1,812.51	2,422.79
<b>Total Expenses</b>		<b>5,509.68</b>	<b>6,771.80</b>
<b>III. Profit /(loss) before exceptional items and tax (I - II)</b>		<b>(2,002.66)</b>	<b>(2,199.04)</b>
<b>IV. Exceptional Items</b>		-	-
<b>V. Profit /(loss) before tax (III+IV)</b>		<b>(2,002.66)</b>	<b>(2,199.04)</b>
<b>VI. Tax expense</b>			
Current tax	31	-	-
Tax adjustment for earlier year	31	-	-
Deferred tax	31	-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the year (V - VI)</b>		<b>(2,002.66)</b>	<b>(2,199.04)</b>
<b>VII. Other comprehensive income</b>			
(A) Items that will not be reclassified to profit or loss (A)			
(i) Remeasurement of the defined benefit liability		7.76	20.78
(ii) Income Tax Related to Above		-	-
(B) (i) Items that will be reclassified to profit and loss		-	-
(ii) Income Tax Related to Above		-	-
<b>Other comprehensive income for the year, net of income tax</b>		<b>7.76</b>	<b>20.78</b>
<b>Total comprehensive income for the year (IX + X)</b>		<b>(1,994.90)</b>	<b>(2,178.26)</b>
<b>VIII. Earnings per equity share</b> [Nominal value per equity share ₹ 10 (₹ 10)]			
<b>IX. (a) Basic (₹)</b>	32	<b>(9.49)</b>	<b>(10.31)</b>
<b>(b) Diluted (₹)</b>	32	<b>(9.49)</b>	<b>(10.31)</b>

The accompanying notes are an integral part of the financial statements  
As per our report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants

ICAI Firm's Registration No.: 302049E

*Sankar Bandyopadhyay*  
Sankar Bandyopadhyay  
Partner

Membership No.: 08230

Place: Kolkata

Date: 9th May, 2024



*Pradipta Kumar Sahoo*  
Pradipta Kumar Sahoo  
Whole-time Director and CEO  
DIN: 05163167

*Chandra Shekhar Nopany*  
Chandra Shekhar Nopany  
Director  
DIN: 00014587

*Vikram Kumar Mishra*  
Vikram Kumar Mishra  
Company Secretary

# Morton Foods Limited

(Formerly known as Allahabad Canning Limited)

CIN: U15122UP2015PLC069645

Cash Flow Statement for the year ended 31st March 2024



(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit / (Loss) before tax	(2,002.66)	(2,199.04)
Adjustments for:		
Depreciation and amortisation expense	70.20	77.16
Finance Costs	254.89	287.16
Provision for warranties and claims	17.69	36.53
Provision for bad and doubtful debts / advances	63.51	47.57
Interest income	(0.03)	(0.14)
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(3.21)	(33.50)
	<u>(1,599.61)</u>	<u>(1,784.26)</u>
Working capital adjustments:		
(Increase)/ Decrease in Inventories	763.54	(225.32)
(Increase)/ Decrease in Trade Receivables	(209.76)	434.75
(Increase)/ Decrease in Other Financial Assets	(11.76)	-
(Increase)/ Decrease in Other Assets	269.98	(151.60)
Increase / (Decrease) in Trade Payables	39.64	(54.91)
Increase / (Decrease) in Other Financial Liabilities	(13.47)	(14.69)
Increase / (Decrease) in Provisions	(42.74)	(42.47)
Increase / (Decrease) in Other Liabilities	(27.90)	25.15
Cash generation from Operations	<u>(832.08)</u>	<u>(1,813.35)</u>
Income tax refund	0.41	0.35
Net Cash generated/ (used) from Operating Activities	<u>(831.67)</u>	<u>(1,813.00)</u>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Acquisition of Property, Plant and Equipment	(1.20)	(11.91)
Interest received	0.03	0.35
Proceeds from Bank deposits on maturity	-	1.96
Net Cash generated/ (used) in Investing Activities	<u>(1.17)</u>	<u>(9.60)</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of equity shares of Rs 10 each	-	647.00
Proceeds from premium on issuance of equity shares		1,552.80
(Repayments of) / Proceeds from Current Borrowings	(498.60)	906.64
Inter-corporate deposit received from others	1,550.00	(1,000.00)
Repayment of Lease liabilities	(24.07)	(19.45)
Interest on lease liabilities paid	(2.78)	(4.99)
Interest paid	(205.83)	(264.96)
Net Cash (used in) / generated from Financing Activities	<u>818.72</u>	<u>1,817.04</u>
Net Changes in Cash & Cash Equivalents (A + B + C)	<u>(14.12)</u>	<u>(5.56)</u>
Cash & Cash Equivalents at the beginning of the year	22.88	28.44
Cash & Cash Equivalents at the end of the year	8.76	22.88



1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 "Statement of Cash Flow".

2. Cash and Cash Equivalents are represented by :

Particulars	Year ended 31 <sup>st</sup> March, 2024	Year ended 31st March, 2023
Cash on Hand	0.36	0.25
In Current Accounts	8.40	22.63
<b>Total</b>	<b>8.76</b>	<b>22.88</b>

3. Change in Liability arising from financing activities

	As on 31 <sup>st</sup> March, 2023	Cash Flow	Fair Value Change	As on 31st March, 2024
Current Borrowings [Note 17]	1,969.60	1,051.40		3,021.00
Lease liability [Note 18]	35.33	(26.85)	2.78	11.26

	As on 31 <sup>st</sup> March, 2022	Cash Flow	Fair Value Change	As on 31st March, 2023
Current Borrowings [Note 17]	2,062.96	(93.36)		1,969.60
Lease liability [Note 18]	54.78	(24.44)	4.99	35.33

4. Previous year's figure have been regrouped / rearranged to confirm the classification of the current year, wherever considered necessary.

As per our report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.  
Chartered Accountants  
ICAI Firm's Registration No.: 302049E  
*Sankar Bandyopadhyay*  
Sankar Bandyopadhyay  
Partner  
Membership No.: 08230  
Place: Kolkata  
Date: 9th May, 2024



*Pradipta Kumar Sahoo*  
Pradipta Kumar Sahoo  
Whole-time Director and CEO  
DIN: 05163167

*Chahdra Shekhar Nopany*  
Chahdra Shekhar Nopany  
Director  
DIN: 00014587

*Vikram Kumar Mishra*  
Vikram Kumar Mishra  
Company Secretary

**Morton Foods Limited**

(Formerly known as Allahabad Canning Limited)

CIN: U15122UP2015PLC069645

Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2024**A. Equity Share Capital**

Particulars	Notes	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	16	21,101,472	2,110.15	14,631,472	1,463.15
Changes in Equity Share Capital due to prior period error	16	-	-	-	-
Restated balance at the beginning of the year	16	21,101,472	2,110.15	14,631,472	1,463.15
Changes in Equity Share Capital during the year	16	-	-	6,470,000	647.00
<b>Balance at the end of the year</b>	16	<b>21,101,472</b>	<b>2,110.15</b>	<b>21,101,472</b>	<b>2,110.15</b>

**B. Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Capital Reserve	Security Premium	Retained Earnings	Revaluation Surplus	
Balance at 31 <sup>st</sup> March, 2022	7.54	2,053.37	(3,263.16)	-	(1,202.25)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the year	7.54	2,053.37	(3,263.16)	-	(1,202.25)
Received during the year against the Share issue	-	1,552.80	-	-	1,552.80
Total comprehensive income for the year	-	-	-	-	-
- Profit / (Loss)	-	-	(2,199.04)	-	(2,199.04)
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	20.78	-	20.78
- Revaluation of freehold land through other comprehensive income - net change in fair value	-	-	-	4,030.40	4,030.40
Total comprehensive income	-	1,552.80	(2,178.26)	4,030.40	3,404.94
Balance at 31 <sup>st</sup> March, 2023	7.54	3,606.17	(5,441.42)	4,030.40	2,202.69
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the year	7.54	3,606.17	(5,441.42)	4,030.40	2,202.69
Received during the year against the Share issue	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
- Profit / (Loss)	-	-	(2,002.66)	-	(2,002.66)
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	7.77	-	7.77
<b>Balance at 31<sup>st</sup> March, 2024</b>	<b>7.54</b>	<b>3,606.17</b>	<b>(7,436.31)</b>	<b>4,030.40</b>	<b>207.80</b>

The description of the nature and purpose of each reserve within equity are as follows:

**(a) Capital Reserve**

The difference between the net fair value of assets and liabilities of the business undertakings acquired and shares allotted pursuant to the scheme of arrangement in earlier year.

**(b) Security Premium**

Share premium represents the difference between the par value of the shares issued and the subscription or issue price.

**(c) Revaluation Surplus - Land**

Revaluation Surplus consists change in carrying amount of freehold land due to revaluation model adopted.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For Singhi &amp; Co.

Chartered Accountants

ICAI Firm's Registration No.: 302049E

  
Sankar Bandyopadhyay

Partner

Membership No.: 08230

Place: Kolkata

Date: 9th May, 2024


  
Pradipta Kumar Sahoo  
Whole-time Director and CEO  
DIN: 05163167


  
Chandra Shekhar Nopany  
Director  
DIN: 00014587


  
Vikram Kumar Mishra  
Chief Financial Officer

# Morton Foods Limited

(Formerly known as Allahabad Canning Limited)

CIN: U15122UP2015PLC069645

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024



## 1. Reporting entity

Morton Foods Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013 in the year 19th March 2015. The Company has changed its name from Allahabad Canning Limited to Morton Foods Limited on 15th November 2021. The registered office of the Company is located at Post Office Hargaon, District Sitapur, Uttar Pradesh 26121, India. The Company is wholly owned subsidiary of Palash Securities Limited. Its shares are unlisted.

The Company is primarily engaged in the process, trade and sale of food stuff. The Company has operations in India mainly.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 9th May, 2024.

## 2. Basis of preparation

### 2.1 Statement of compliance

The company has adhered to all accounting policies in the preparation of these financial statements, ensuring compliance with the Indian Accounting Standards (Ind AS) as prescribed by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, in conjunction with the Companies (Indian Accounting Standards) Rules, as amended, and in accordance with Schedule III of the Companies Act, 2013, where applicable. The statement of cash flows which has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Effective 01st April 2023 the Company has applied the following amendments to existing standards which has been notified by the Ministry of Corporate Affairs ("MCA"):

#### i. Ind AS 1, Presentation of Financial Statements:

Effective for annual periods starting on or after 1st April 2023, Ind AS 1 has been amended to replace the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information'. The explicit requirement to disclose measurement bases has also been removed.

#### ii. Ind AS 8, Accounting policies, Change in Accounting Estimates and Errors:

The company has adopted the amendments to Ind AS 8 for the first time in current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement

#### iii. Ind AS 12, Income Taxes:

The amendment has narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a

The amendments listed above did not have any impact on the amounts recognized in current period.

Details of the Company's accounting policies are included in Note 3.

### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.



### 2.3 Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	Measurement basis
(i) Certain financial assets and liabilities	Fair value
(ii) Employee's defined benefit plan	As per actuarial valuation

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### 2.4 Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included in the following notes:

- Note 4 and 5 - Useful life and residual value of property, plant and equipment and other intangible assets;
- Note 12 - Recognition of deferred tax assets: availability of future taxable profit and income tax liabilities thereon against which unabsorbed depreciation and other business losses can be used;
- Note 21- Measurement of defined benefit obligations: key actuarial assumptions;
- Note 34 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 38 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

Information about assumptions and judgement uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included in the following notes:

- Note 19 - Determination of ROU assets and liabilities; incremental borrowing rate and lease term.
- Note 21 - Provision on Warranty is calculated on the Sales amount on the basis of the sales return or Credit note issued to the customers in last three immediately preceding year.



# Morton Foods Limited

"(Formerly known as Allahabad Canning Limited)"

CIN: U15122UP2015PLC069645



Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)

## 3. Summary of Material accounting policies

### 3.1 Financial instruments

#### *Recognition and initial measurement*

Trade Receivables issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

#### (i) Financial Assets

On initial recognition, a financial asset is classified and measured at amortised cost;

#### (ii) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

#### (iii) Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
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#### (iv) Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

### 3.2 Property, plant and equipment [PPE]

#### *Recognition and measurement*

Items of property, plant and equipment are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses, if any.



# Morton Foods Limited

"(Formerly known as Allahabad Canning Limited)"

CIN: U15122UP2015PLC069645



Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)

The cost of an item of property, plant and equipment comprises its purchase price inclusive of duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection/ commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

The company has adopted the Revaluation Model for valuing its land. Net carrying amount of land has been recognised on the basis of fair valuation report of independent valuer on the adoption of revaluation model. Changes in fair value has been recognised through other comprehensive income.

Property, plant and equipment under construction are disclosed as Capital work-in-progress.

### **Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets and recognised in the Statement of Profit and Loss.

The useful lives have been determined based on technical evaluation done by the management's expert, supported by independent assessment by professionals, and are in line with the useful life specified in Part C of Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

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

### **Capital work-in-progress (CWIP)**

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on project under implementation are treated as pre-operative expenses pending allocation to the asset and are shown under CWIP.

### **3.3 Intangible assets**

Intangible assets including Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the computer software is considered as 5 years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.



# Morton Foods Limited

"(Formerly known as Allahabad Canning Limited)"

CIN: U15122UP2015PLC069645

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)



## 3.6 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on annual weighted average method / moving average method.

Work-in-progress, finished goods and Traded goods are valued at lower of cost and net realizable value. Work-in-progress and Finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

## 3.7 Impairment

### *Impairment of financial instruments : financial assets*

At each reporting date, the Company assess whether financial assets, then those at FVTPL are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Company recognises loss allowances using the expected credit losses (ECL) model for the financial assets which are fair valued through profit or loss.

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 recognised as an impairment gain or loss in the Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.



# Morton Foods Limited

"(Formerly known as Allahabad Canning Limited)"

CIN: U15122UP2015PLC069645

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)



When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

**(i) Measurement of expected credit losses**

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

**(ii) Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**Impairment of non-financial assets**

The Company's non-financial assets other than biological assets, 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.

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.

### 3.8 Employee benefits

**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, 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.

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees. The Company makes specified periodically contribution to Provident / Pension funds as defined contribution plans.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.



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Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)



## ***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

## ***Compensated absences***

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature.

The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurement gains or losses are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-accumulating compensated absences are recognised in the period in which the absences occur.

## **3.7 Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Expected future operating losses are not provided for.



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Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)



## 3.8 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

## 3.9 Revenue from contract with customer

"Revenue from sale of products is recognized when property in the goods and significant risk and rewards are transferred and no effective ownership control is retained, which generally co-insides with delivery. Revenue is measured at fair value of consideration received or to be received. Fair value is determined based on contractual transaction price adjusted with discount/ commission/ rebates/ imputed interest etc at the time of sale.

As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

The taxes collected by the Company on behalf of the Government and specifically identified as such on the sales documents is excluded from the revenue.

Certain contracts provide a customer with a right to return the goods. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will not be entitled. The requirements of Ind AS 115 "Revenue from Contracts with Customers" on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that are to be excluded from the value of goods delivered but are expected to be returned by de-recognizing the related receivables. A right of return asset (and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer)."

### *Interest income*

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.

Interest is recognised on time proportion basis.

### *Insurance claims*

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.



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Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)



## 3.10 Leases

### (i) *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### (ii) *Lease Liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### *Short-term lease and lease of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve 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 of offices, godowns, equipment, etc. that are of 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.

### *Provision for Income Tax and Deferred Tax*

The income tax expense or benefit for the period includes the tax due on the current period's taxable income at the rates prescribed by the Income Tax Act, 1961, and the respective State Agriculture Income Tax Acts, adjusted for any changes in deferred tax assets and liabilities arising from temporary differences and unutilized tax losses. Revenue, costs, allowances, and disallowances are allocated based on judgements informed by relevant rulings to determine the income tax provision.

### *Current tax*

Current tax assets and liabilities are measured at the amounts expected to be recovered or paid, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



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Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)

## ***Deferred tax***

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax related to items recognized directly in equity or in other comprehensive income is recorded in the same area, matching the transaction that generated the deferred tax.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend to settle balances on a net basis. The recognition of deferred tax assets is contingent upon the likelihood of sufficient future taxable profits against which they can be utilized, necessitating significant judgement about possible legal or economic constraints.

## ***Minimum Alternative Tax (MAT) Credit***

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### **3.11 Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### **3.12 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and at bank as well as short-term deposits with an original maturity of three months or less.

### **3.13 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit or loss 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.

### **3.14 Earnings per share**

Basic earnings 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.

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



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Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2024 (continued)

## (i) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

## (i) Financial liabilities

Financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

## 3.15 Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) regularly notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules. For the fiscal year ending March 31, 2024, the MCA has not notified any new standards or amendments to the standards that are applicable to the company.



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Notes to Financial Statements for the year ended 31st March, 2024 (continued)

## 4.1 Right of Use Asset (Building)

(₹ in Lakhs)

Particulars	Right of use - assets [Note 18]	Total
<b>Reconciliation of carrying amount</b>		
<b>Gross carrying amount</b>		
Balance at 31 <sup>st</sup> March , 2022	64.90	64.90
Additions during the year	-	-
Disposal / deduction during the year	-	-
<b>Balance at 31<sup>st</sup> March , 2023</b>	<b>64.90</b>	<b>64.90</b>
Additions during the year	-	-
Disposal / deduction during the year	-	-
<b>Balance at 31st March, 2024</b>	<b>64.90</b>	<b>64.90</b>
<b>Accumulated depreciation</b>		
Balance at 31 <sup>st</sup> March, 2022	12.62	12.62
Depreciation for the year	21.63	21.63
Disposal / deduction during the year	-	-
Balance at 31 <sup>st</sup> March, 2023	34.25	34.25
Depreciation for the year	21.64	21.64
Disposal / deduction during the year	-	-
<b>Balance at 31st March, 2024</b>	<b>55.89</b>	<b>55.89</b>
<b>Carrying amount (net)</b>		
At 31 <sup>st</sup> March, 2023	30.65	30.65
<b>At 31<sup>st</sup> March, 2024</b>	<b>9.01</b>	<b>9.01</b>





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Notes to Financial Statements for the year ended 31st March, 2024 (continued)

**4. Property, Plant and Equipment**

Particulars	(₹ in Lakhs)							Total
	Freehold Land	Buildings	Plant and Equipment	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipment	
<b>Reconciliation of carrying amount</b>								
<b>Gross carrying amount</b>								
Balance at 31st March, 2022	4,030.65	204.25	337.47	32.36	3.77	5.54	3.47	4,617.51
Additions during the year	-	-	10.98	0.49	0.44	-	-	11.91
Disposal / deduction during the year	-	-	-	-	-	-	-	-
Balance at 31 <sup>st</sup> March, 2023	4,030.65	204.25	348.45	32.85	4.21	5.54	3.47	4,629.42
Additions during the year	-	-	0.70	0.50	-	-	-	1.20
Disposal / deduction during the year	-	-	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2024</b>	<b>4,030.65</b>	<b>204.25</b>	<b>349.15</b>	<b>33.35</b>	<b>4.21</b>	<b>5.54</b>	<b>3.47</b>	<b>4,630.62</b>
<b>Accumulated depreciation</b>								
Balance at 31st March, 2022	-	11.49	55.28	20.23	1.49	2.96	1.21	92.66
Depreciation for the year	-	6.24	25.35	6.55	0.39	0.81	0.70	40.04
Disposal / deduction during the year	-	-	-	-	-	-	-	-
Balance at 31 <sup>st</sup> March, 2023	-	17.73	80.63	26.78	1.88	3.77	1.91	132.70
Depreciation for the year	-	6.24	22.56	3.73	0.42	0.81	0.52	34.28
Disposal / deduction during the year	-	-	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2024</b>	<b>-</b>	<b>23.97</b>	<b>103.19</b>	<b>30.51</b>	<b>2.30</b>	<b>4.58</b>	<b>2.43</b>	<b>166.98</b>
<b>Carrying amount (net)</b>								
Balance at 31 <sup>st</sup> March, 2023	4,030.65	186.52	267.82	6.07	2.33	1.77	1.56	4,496.72
<b>Balance at 31<sup>st</sup> March, 2024</b>	<b>4,030.65</b>	<b>180.28</b>	<b>245.96</b>	<b>2.84</b>	<b>1.91</b>	<b>0.96</b>	<b>1.04</b>	<b>4,463.64</b>

(a) Revaluation model has been adopted by a Company for valuing its land and ₹ 4,030.40 lakhs represents net change in carrying amount due to revaluation based on valuation by a registered valuer as prescribed.

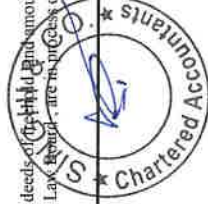
(b) Movable Property, Plant and Equipment, unless stated otherwise elsewhere, given as security for borrowings [Note 17]

(c) Title deeds of Immoveable Property not held in the name of Company

Particulars	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or employee of promoter/director	Property held since which date	Reason
<b>1. Property, Plant and Equipment</b>	Freehold land	4030.65	New Swadeshi Sugar Mill merged with Magadh Sugar Mills Limited	No	April 01, 2015	Mutation in the name of Company is pending.

(i) The title deeds of free hold land are duly registered with appropriate authorities and the title deeds of property amounting to Rs 4030.65 lakhs, which was transferred to the company pursuant to composite scheme of arrangement approved by the National Company Law Board, are in process of transfer in the name of the company.

(ii) There are no contractual agreement with respect to the Property, Plant and Equipment



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Notes to Financial Statements as at and for the year ended 31st March, 2024 (continued)



(₹ in Lakhs)

**5. Intangible Assets**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Computer Software:</b>		
<b>Reconciliation of carrying amount</b>		
<b>Gross carrying amount</b>		
Balance at the beginning of the year	76.03	76.03
Additions during the year		
Disposal / discard during the year		
<b>Balance at the end of the year</b>	<b>76.03</b>	<b>76.03</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	29.62	14.13
Amortisation for the year	14.30	15.49
Disposal / discard during the year		-
<b>Balance at the end of the year</b>	<b>43.92</b>	<b>29.62</b>
<b>Carrying amount (net)</b>	<b>32.11</b>	<b>46.41</b>

**6. Investments**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Non-current Investments:</b>		
<b>Investment in Government securities carried at amortised cost - unquoted (fully paid) *</b>		
6 Years National Savings Certificates (Pledge with Uttar Pradesh with Mandi Parishad) (Maturity 22.07.2028)	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	<b>0.01</b>	<b>0.01</b>
Aggregate amount of impairment in value of investments	-	-
* Deposited / pledged with various Government authorities.		

**7. Inventories**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<i>(Value at lower of cost and net realisable value)</i>		
Raw materials	49.42	60.01
Work-in-progress	79.59	129.04
Finished goods	528.31	730.20
Stock-in-trade	191.26	444.23
Stores, chemicals and spare parts	185.58	434.22
	<b>1,034.16</b>	<b>1,797.70</b>

- a) **Rs. 1.01 lakhs** (31<sup>st</sup> March, 2023: Rs. 146.37 lakhs) is recognised as expenses, being write-down of inventories to net realisable value, included in Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress [Refer Note 26].
- b) Inventories are hypothecated against borrowings [Refer Note 17].



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Notes to Financial Statements as at and for the year ended 31st March, 2024 (continued)


**8. Trade Receivables**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Current</b>		
- Considered good and secured	0.06	0.06
- Considered good and unsecured	435.40	248.58
- Have significant increase in credit risk	29.94	6.98
	<b>465.40</b>	<b>255.62</b>
Less: Loss allowance		
Trade Receivables which have significant increase in credit risk	(29.94)	(6.98)
	<b>435.46</b>	<b>248.64</b>

- (a) No debt is due by directors or other officers of the Company or any of them either severally or jointly with any other person or no debt due by firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.
- (b) Information about the Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 37(C).
- (c) Trade Receivables are hypothecated against borrowings [Refer Note 17].

**(d) Trade Receivables aging schedule:**

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due dates of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>As on 31<sup>st</sup> March, 2024</b>							
<b>Undisputed Trade Receivables -</b>							
- Considered good and secured					0.06		0.06
- Considered good and unsecured		288.08	33.46	67.57	30.62	15.67	435.40
- Trade Receivables which have significant increase in credit risk							-
Trade Receivables credit impaired	-	-	-	-	-	-	-
<b>Disputed Trade Receivables -</b>							
- Considered good	-	-	-	-	-	-	-
- Trade Receivables which have significant increase in credit risk	-	-	-	-	14.27	15.67	29.94
- Trade Receivables credit impaired	-	-	-	-	-	-	-
		288.08	33.46	67.57	44.95	31.34	465.40
Less: Trade Receivables which have significant increase in credit risk					(14.27)	(15.67)	(29.94)
					(14.27)	(15.67)	(29.94)
		288.08	33.46	67.57	30.68	15.67	435.46

Particulars	Not due	Outstanding for following periods from due dates of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>As on 31<sup>st</sup> March, 2023</b>							
<b>Undisputed Trade Receivables -</b>							
- Considered good and secured				0.06			0.06
- Considered good and unsecured		94.34	60.59	79.81	3.55	10.29	248.58
- Trade Receivables which have significant increase in credit risk					3.96	3.02	6.98
Trade Receivables credit impaired	-	-	-	-	-	-	-



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Notes to Financial Statements as at and for the year ended 31st March,2024 (continued)



<b>Disputed Trade Receivables -</b>							
- Considered good	-	-	-	-	-	-	-
- Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
- Trade Receivables credit impaired	-	-	-	-	-	-	-
	-	94.34	60.59	79.87	7.51	13.31	255.62
Less: Trade Receivables which have significant increase in credit risk	-	-	-	-	(3.96)	(3.02)	(6.98)
	-	94.34	60.59	79.87	3.55	10.29	248.64
<b>( e ) Movement in Loss allowance</b>							
<b>Particulars</b>	<b>As at 31st March , 2024</b>		<b>As at 31st March, 2023</b>				
Balance at the beginning of the year	6.98		3.02				
Changes in loss allowance during the year	22.96		3.96				
Trade Receivables written off during the year							
<b>Balance as at the end of the year</b>	<b>29.94</b>		<b>6.98</b>				
<b>9. Cash and cash equivalents</b>							
(₹ in Lakhs)							
<b>Particulars</b>	<b>As at 31st March , 2024</b>		<b>As at 31st March, 2023</b>				
Balances with banks (of the nature of cash and cash equivalents)							
- Current accounts	8.40		22.63				
Cash on hand	0.36		0.25				
	<b>8.76</b>		<b>22.88</b>				
<b>10. Other Financial Assets</b>							
(₹ in Lakhs)							
<b>Particulars</b>	<b>As at 31st March , 2024</b>		<b>As at 31<sup>st</sup> March, 2023</b>				
<i>(Considered good - Unsecured)</i>							
<b>Non-current</b>							
Security and other deposits	11.60		18.24				
Bank deposits due to mature after twelve months of the reporting date *	-		-				
	<b>11.60</b>		<b>18.24</b>				
<b>Current</b>							
Security and other deposits	18.40		-				
Interest accrued on deposits, investments etc.	-		-				
Claims and rejections	-		-				
	<b>18.40</b>		<b>-</b>				
* As on 31st March,2024 NIL, as on 31st March 2023 (Rs NIL)							
* Pledged / lodged with a bank as margin money.							



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**11. Non Current Tax Assets**

(₹ in Lakhs)

Particulars	As at 31st March , 2024	As at 31st March, 2023
Tax deducted / collected at sources	0.82	1.23
	-	
	0.82	1.23

**12. Deferred Tax Assets (net)**

(₹ in Lakhs)

Particulars	As at 31st March, 2021	Recognised in profit or loss 2021-22	As at 31st March, 2022	Recognised in profit or loss 2022-23	As at 31st March, 2023	Recognised in profit or loss 2023-24	As at 31 <sup>st</sup> March, 2024
<b>Deferred tax liabilities</b>							
Property, Plant and Equipment including other intangible assets	14.25	8.29	22.54	13.67	36.21	9.95	46.16
	14.25	8.29	22.54	13.67	36.21	9.95	46.16
<b>Deferred tax assets</b>							
Eligible Tax Losses and Unabsorbed Depreciation	533.48	473.09	1,006.57	570.47	1,577.04	461.00	2,038.04
Provisions - employee benefits	22.11	(2.08)	20.03	(21.12)	(1.09)	2.02	0.93
Provisions - warranties	4.02	4.63	8.65	0.85	9.50	(18.84)	(9.34)
Provisions - others	16.64	(15.85)	0.79	12.36	13.15	16.51	29.66
Provision for expired stock						52.60	52.60
Deduction of disallowances allowed on payment / other basis	9.65	(0.97)	8.68	12.62	21.30	6.51	27.81
	585.90	458.82	1,044.72	575.18	1,619.90	519.80	2,139.70
Less: Deferred tax assets not recognised	571.65		571.65	561.51	1,133.16	509.85	1,643.01
	14.25	458.82	473.07	13.67	486.74	9.95	496.69
Net deferred tax liabilities / (assets)			(450.53)	-	(450.53)		(450.53)

(i) The Company has recognised Rs 450.53 lakhs as Deferred Tax Asset (net) for the year ended 31st March, 2022, based on the future profitability projections made by the Management.

(ii) Deferred Tax Asset(net) for the year ended 31st March, 2024 has not been recognised, in view of continuous losses.

**13. Other Non-current Assets**

(₹ in Lakhs)

Particulars	As at 31st March , 2024	As at 31st March, 2024
<i>(Considered good - Unsecured)</i>		
<b>Advances other than Capital Advances</b>		
Other advances		
- Deposits against demand under appeal and / or under dispute	-	15.30
Prepaid Expenses	1.10	
	1.10	15.30
	1.10	15.30



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**14. Other Current Assets**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Advances to suppliers</b>		
- Considered good - Unsecured	123.93	312.63
- Considered doubtful - Unsecured	84.17	43.61
	208.10	356.24
Less: Loss allowance for doubtful advances	84.17	43.61
	123.93	312.63
<b>Other advances (considered good - unsecured)</b>		
- Balance with Government Authorities	47.28	155.39
- Prepaid Expenses	6.36	5.87
	53.64	161.26
	177.57	473.89

**Movement in Loss allowance**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	43.61	-
Changes in loss allowance during the year	84.17	43.61
Trade Receivables written off during the year	-	-
Balance as at the end of the year	127.78	43.61

**15. Share Capital**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Authorised:</b>		
2,50,00,000 (31 <sup>st</sup> March, 2023: 2,50,00,000) equity shares of Rs.10 each	2,500.00	2,500.00
	2,500.00	2,500.00
<b>Issued, subscribed and fully paid-up:</b>		
2,11,01,472 (31 <sup>st</sup> March, 2023: 2,11,01,472) equity shares of Rs.10 each	2,110.15	2,110.15
	2,110.15	2,110.15

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:**

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Number of shares	(₹ in Lakhs)	Number of shares	(₹ in Lakhs)
<b>Equity shares</b>				
At the beginning of the year	21,101,472	2,110.15	14,631,472.00	1,463.15
Issued on right basis during the year		-	6,470,000.00	647.00
At the end of the year	21,101,472	2,110.15	21,101,472.00	2,110.15

**(b) Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of equity shares with par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.



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**(c) Particulars of equity share of the Company above 5%**

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
<b>Equity shares of Rs. 10 each fully paid up held by</b>				
<b>Holding Company</b>				
Palash Securities Limited	11,550,000	54.74%	11,550,000	54.74%
<b>Fellow Subsidiaries</b>				
Hargaon Investment & Trading Company Limited	2,281,472	10.81%	2,281,472	10.81%
<b>Others</b>				
Ganges Securities Limited	3,525,000	16.70%	3,525,000	16.70%

**(d) Shareholding of Promoters are as under:**

Sr. No.	Promoter Name	Shares held by promoters at the end of the year				% Change during the year
		As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023		
		Number of shares	% of total shares in the class	Number of shares	% of total shares in the class	
<b>Equity shares of ₹ 10 each fully paid up held by</b>						
1	Palash Securities Limited	11,550,000	54.74%	11,550,000	54.74%	0.00%
2	Hargaon Investment & Trading Company Limited	2,281,472	10.81%	2,281,472	10.81%	0.00%
3	Champan Marketing Company Limited	270,000	1.28%	270,000	1.28%	0.00%
4	OSM Investment & Trading Company Limited	530,000	2.51%	530,000	2.51%	0.00%
		<b>14,631,472</b>	<b>69.34%</b>	<b>14,631,472</b>	<b>69.34%</b>	

**(e) Information regarding aggregate number of equity shares issued during the five years immediately preceding the date of the Balance Sheet:**

During the year 2022-2023, pursuant to the approval of Share holders, Company has allotted 64,70,000 number of fully paid @ Rs 10 per share with Rs 24 per Share Premium on Right basis.

The Company has not allotted any Shares during the 2023-2024.

The Company has not allotted any Shares pursuant to contract without payment being received in cash.

**(f) The is no call unpaid on equity shares.****(g) No equity shares have been forfeited.****16. Other Equity**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Capital Reserve</b>		
Balance at the beginning and at the end of the year	7.54	7.54
<b>Share Premium</b>		
Balance at the beginning of the year	3,606.17	2,053.37
Add: Received on Share issued during the year		1,552.80
Balance at the end of the year	3,606.17	3,606.17
<b>Retained Earnings</b>		
Balance at the beginning of the year	(5,441.42)	(3,263.16)
Profit/(loss) for the year	(2,002.66)	(2,199.04)
Remeasurement of defined benefit liability / (asset) (net of tax)	7.77	20.78
Balance at the end of the year	(7,436.31)	(5,441.42)



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Particulars	(₹ in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
<b>Revaluation Reserve through OCI</b>		
Balance at the beginning of the year	4,030.40	4,030.40
Net change in fair value	-	
Balance at the end of the year	4,030.40	4,030.40
	207.80	2,202.69

a) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

b) **General Reserve:** The reserve arises on transfer of a portion of the net profit to general reserve

c) **Retained Earning:** Generally represents the undistributed profit/amount of accumulated earnings of the company.

d) **Other Comprehensive Income (OCI) :** Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of the following:

(i) **Equity Instruments through OCI:** The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.

(ii) **Remeasurement of defined benefit obligations:** The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI. The amount is subsequently transferred to retained earnings as per the Schedule III requirement.

Refer Statement of Changes in Equity for description of Reserves

**17. Borrowings**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
<b>Current Borrowings</b>		
<b>Secured</b>		
From banks (repayable on demand)		
Cash credit from a bank	1,471.00	1,969.60
<b>Unsecured</b>		
Inter-corporate deposits from others	1,550.00	
	3,021.00	1,969.60

A. Information about the Company's exposure to interest and liquidity risk is included in Note 37(C).

**B. Nature of Securities and Terms of repayment**

(a) Cash credit from a bank, carry interest rate of 1-MCLR-6M + Spread of 2.10% p.a., is secured by hypothecation of entire current assets of the Company ranking pari passu and also by way of first charge created on the movable property, plant and equipment of the Company, both present and future.

(b) Inter-corporate deposits, are repayable on demand, carry interest at the rate in the range of 9% to 10% p.a.

(c) The summary of reconciliation of quarterly statement filed to the bank (ICICI Bank Ltd.) and books of accounts, if any, is given below:

Quarter	Name of Bank	Particulars	Amount as per books of account			Amount as reported in the quarterly return/statement			Amount of difference	Reason for material discrepancy ***
			Inventory	Sundry Debtors	Total	Inventory	Sundry Debtors	Total		
			Jun-23	ICICI Bank	Cash Credit Limit	1,645.86	217.10	1,862.96		
Sep-23			1,321.11	228.65	1,549.76	1,570.17	228.64	1,798.81	249.05	Stock in transit was omitted to shown in books of accounts.
Dec-23			1,400.64	290.93	1,691.57	1,642.76	290.93	1,933.69	242.12	Stock in transit was omitted to shown in books of accounts.
Mar-24			1,034.16	435.46	1,469.62	1,034.16	435.46	1,469.62		

Quarter	Name of Bank	Particulars	Amount as per books of account			Amount as reported in the quarterly return/statement			Amount of difference	Reason for material discrepancy ***
			Inventory	Sundry Debtors	Total	Inventory	Sundry Debtors	Total		
			Jun-22	ICICI Bank	Cash Credit Limit	1,808.36	436.00	2,244.36		
Sep-22			1,676.69	518.67	2,195.36	1,676.69	518.67	2,195.36		
Dec-22			1,809.27	568.73	2,378.00	1,809.27	568.73	2,378.00		
Mar-23			1,797.70	248.64	2,046.34	1,797.70	248.64	2,046.34		



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**18. Lease**

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.

**Company as Lessee**

The Company has lease contracts for one items of building used in its operations. The Company's obligation under its lease are secured by lessor's title to the leased assets.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the the incremental borrowing rate i.e. 8% p.a. Movement of the carrying amount of lease liabilities during the year are as under:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	35.33	54.78
Additions	-	-
Derecognition on cancellation	-	-
Finance cost accrued	2.78	4.99
Gain on cancellation of lease	-	-
Payment of lease liabilities	(26.85)	(24.44)
<b>Balance at the end of the year</b>	<b>11.26</b>	<b>35.33</b>

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-current	-	8.48
Current	11.26	26.85
	<b>11.26</b>	<b>35.33</b>

The maturity analysis of lease liabilities on an undiscounted basis are as under:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2024	As at 31st March, 2023
Less than one year	11.26	26.85
One to two years	-	8.48
Two to five years	-	2.04
More than five years	-	-
<b>Total</b>	<b>11.26</b>	<b>37.37</b>

The followings are the amounts recognised during the year in profit or loss:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2024	Year ended 31st March, 2023
Gain on cancellation of lease [Note 24]	-	-
Interest on lease liabilities [Note 28]	2.78	4.99
Depreciation on right-of-use assets [Note 29]	21.64	21.63
Expenses relating to short-term and low-value leases [Note 30]	0.56	4.32
<b>Total</b>	<b>24.98</b>	<b>30.94</b>

There is no significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.



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**19. Trade Payables**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises [Refer Note 19 (a)]	130.69	28.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	855.59	921.19
	986.28	949.85

The Company's exposure to currency and liquidity risk related to trade payable are disclosed in Note 38(C).

**(a) The following details relating to Micro enterprises and small enterprises are as under:**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	130.69	28.66
Interest due on above	3.04	-
Total	133.73	28.66
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) 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 of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

**(b) Trade payables aging schedule:**

As on 31st March, 2024

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Micro and Small Enterprises	-	74.57	56.12	-	-	130.69
(ii) Others	-	675.21	179.13	1.25	-	855.59
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	749.78	235.25	1.25	-	986.28

As on 31<sup>st</sup> March, 2023

Particulars	Not due	Outstanding for following periods from due dates of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Micro and Small Enterprises	-	28.66	-	-	-	28.66
(ii) Others	-	921.19	-	-	-	921.19
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	-	949.85	-	-	-	949.85

**20. Other Financial Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Non-current</b>		
Trade and other deposits	18.17	26.22
	18.17	26.22
<b>Current</b>		
Interest accrued but not due	13.07	17.65
Interest outstanding for ICD loan Refer Note 20 (ii)	50.86	-
Payable to employees	78.97	84.39
	142.90	102.04

(i) Information about the Company's exposure to liquidity risks related to the above financial liabilities is disclosed in Note 38(C).

(ii) Accrued interest of Rs 50.85 lakhs for the year ended 31st March 2024 was though provided for, has not been paid.



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Notes to Financial Statements as at and for the year ended 31st March, 2024 (continued)

**21. Provisions**

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
<b>Provision for employee benefits</b>				
Provision for defined benefit plans		8.44	-	3.98
Provision for compensated absences	26.83	6.54	6.27	28.11
	<b>26.83</b>	<b>14.98</b>	<b>6.27</b>	<b>32.09</b>
<b>Other provisions</b>				
Warranty Provision			17.69	36.53
<b>Total</b>	<b>26.83</b>	<b>14.98</b>	<b>23.96</b>	<b>68.62</b>

₹ 0.00 lakhs is expected to contribute to Gratuity Fund in the next year.

**Employee benefit Plans**

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present value of defined benefit obligations	102.23	107.91
Fair value of plan assets	103.63	95.49
Net defined benefit liabilities	<b>(1.40)</b>	<b>12.42</b>

These defined benefit plans expose the Company to actuarial risks, such as currency risk, interest risk and market (investment) risk.

**Inherent risk**

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

**Risk to the beneficiary**

The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities
- Or a combination of these events

**Parameter risk**

Actuarial valuation is done on the basis of some assumptions like salary inflation, discount rate and withdrawal

assumptions. In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities.

For example: the plan's liability is calculated with salary inflation assumption of 5% per annum. However, Company's actual practice is to provide increment of 10% per annum. This will result into underfunding.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability.

Further, actual withdrawals may be lower or higher than what was assumed in the valuation, may also impact the plan's liability.

**Risk of illiquid Assets**

Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

**Risk of Benefit Change**

There may be a risk that the benefit promised is changed or is changeable within the terms of the contract. For example regulator may increase the benefits payable under defined benefit plans.



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## Asset liability mismatching risk

ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

For example: The liability duration is 10 years. While assets are locked in 5-year g-sec securities. After 5 years, there is huge reinvestment risk to invest maturity proceeds of assets due to uncertainty about the market prevailing yields at that time.

The following tables analyse present value of defined benefit obligations, fair value of defined plan assets, actuarial gain / (loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information:

## Reconciliation of the net defined benefit liabilities / (assets):

(₹ in Lakhs)

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the beginning of the year	107.91	110.38
(b) Service cost	9.95	10.48
(c) Interest cost	8.00	7.70
(d) Benefits paid	(15.39)	-
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	1.85	(3.03)
- due to change in demographic assumptions	-	-
- due to experience changes	(10.09)	(17.62)
(f) Service cost	102.23	107.91
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the beginning of the year	95.49	69.72
(b) Actual return on plan assets	6.61	4.99
(c) Contributions by the employer	16.92	20.78
(d) Benefits paid	(15.39)	-
(e) Balance at the end of the year	103.63	95.49
<b>(iii) Actuarial gain / (loss) on plan assets</b>		
(a) Expected Interest Income	7.09	4.86
(b) Actual return on plan assets	6.61	4.99
(c) Actuarial gain / (loss) on plan assets	(0.48)	0.13
<b>(iv) Expense recognised in Employee benefits expenses</b>		
(a) Service cost	9.95	10.48
(b) Interest cost	8.00	7.70
(c) Interest income	(7.09)	(4.86)
(d) Amount charged to Employee benefits expenses	10.86	13.32
<b>(v) Remeasurement recognised in Other Comprehensive Income</b>		
(a) Actuarial loss on defined benefit obligations	8.24	20.65
(b) Actuarial loss on plan assets	(0.48)	0.13
(c) Amount recognised in Other Comprehensive Income	7.76	20.78
<b>(vi) Plan assets</b>		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
<b>(vii) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.13%	7.42%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates		
	Less than 40 Years - 4.2%	
	40 Years and above - 0%	

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

## (viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	3.14	(3.34)	3.25	(3.45)
(b) Future salary growth (1% movement)	(6.79)	6.12	(7.05)	6.34
(c) Withdrawal assumption (4% movement)	(1.95)	1.54	(2.58)	1.45



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Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

**(ix) Maturity profile of defined benefit obligations (valued on undiscounted basis)**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2023
Within the next 12 months (next annual reporting period)	28.10	8.44
Between 1 and 2 years	1.01	26.97
Between 2 and 3 years	3.07	4.82
Between 3 and 4 years	3.45	2.97
Between 4 and 5 years	3.91	3.44
Beyond 5 years	137.78	144.05
	177.32	190.69

**Defined benefits - Gratuity Plan**

The Company has a defined benefit gratuity plan. The approved gratuity fund of erstwhile companies in respect of transferred business undertakings has been transferred to the Company and which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

**21 (b)****Provision for warranties**

A provision is recognised for expected warranty claims on products based on the management's estimate computed on the basis of past experience. It is expected that the entire provision will be utilised within one year of the reporting date, since the warranty is generally for one year. The table below gives information about movement in warranties provisions.

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2024	Year ended 31st March, 2023
At the beginning of the year	36.53	33.25
Add: Provision made during the year	17.69	36.53
Less: Amount incurred / utilised during the year	(36.53)	(33.25)
At the end of the year	17.69	36.53

**22. Other Current Liabilities**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2024	Year ended 31st March, 2023
Advance from customers	74.13	93.88
Statutory dues	20.69	28.84
	94.82	122.72

**23. Revenue from Operations**

Particulars	(₹ in Lakhs)	
	For the Year ended 31st March, 2024	For the Year ended 31st March, 2024
<b>Sale of Products (A)</b>		
Finished goods (net of returns)	2,414.05	3,387.85
Stock-in-trade (net of returns)	1,460.48	2,221.62
	3,874.53	5,609.47
Less: Claims, Rebates, etc.	379.29	1,085.38
	3,495.24	4,524.09
<b>Other operating revenue (B)</b>		
Scrap Sales	5.71	14.32
	5.71	14.32
<b>Total revenue from operations (A+B)</b>	3,500.95	4,538.41

(a) **Nature of goods:** The Company is engaged in the manufacturing and sale of food stuff and the same is only reportable primary segment of the Company.



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**(b) Geographical Segment**

(₹ in Lakhs)

Particulars	2023-2024	2022-2023
Sale in India	3,497.34	4,527.82
Sale outside India	3.61	10.59
<b>Total</b>	<b>3,500.95</b>	<b>4,538.41</b>

**(c) Disclosure on Contract Balances**

(₹ in Lakhs)

Receivables, which are included in Trade Receivables (net of provision for doubtful receivables) (Refer Note no.8)	435.46	248.64
Contract liabilities / Advances from Customers	74.13	93.88

**24. Other Income**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Interest income on:		
- Loans and deposits	-	0.03
- Refund from income tax department	0.03	0.11
Insurance and other claims	2.83	0.71
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	3.21	33.50
	<b>6.07</b>	<b>34.35</b>

**25. Cost of Materials Consumed**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Inventory of materials at the beginning of the year	60.01	46.28
Add: Purchases and procurement expenses	686.22	1,065.43
	<b>746.23</b>	<b>1,111.71</b>
Less: Inventory of materials at the end of the year	49.42	60.01
	<b>696.81</b>	<b>1,051.70</b>

**26. Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
<b>Inventories at the end of the year</b>		
Finished goods	528.31	730.20
Stock-in-trade	191.26	444.23
Work-in-progress	79.59	129.04
	<b>799.16</b>	<b>1,303.47</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	730.20	568.48
Stock-in-trade	444.23	502.94
Work-in-progress	129.04	110.14
	<b>1,303.47</b>	<b>1,181.56</b>
<b>Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress</b>	<b>504.31</b>	<b>(121.91)</b>

**27. Employee benefits expense**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Salaries, wages, bonus etc.	997.77	1,310.97
Contribution to provident and other funds *	68.09	98.00
Expenses related to post-employment defined benefit plans [Note 21]	10.87	13.32
Staff welfare expenses	18.10	36.87
	<b>1,094.83</b>	<b>1,459.16</b>



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\* represents Defined contribution plans.

**28. Finance costs**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	Year ended 31st March, 2023
Interest expense on financial liabilities measured at amortised cost	252.11	282.17
Interest on lease liabilities [Note 18]	2.78	4.99
	<b>254.89</b>	<b>287.16</b>

**29. Depreciation and amortization expense**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation of property, plant and equipment [Note 4]	34.28	40.04
Right of Use Asset	21.63	21.63
Amortisation of intangible assets [Note 5]	14.29	15.49
	<b>70.20</b>	<b>77.16</b>

**30. Other expenses**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	Year ended 31st March, 2023
Consumption of stores and spares	101.07	156.08
Packing materials	645.64	1,102.43
Power and fuel	106.15	158.77
Repairs to:		
- Buildings	-	4.95
- Machinery	23.29	33.00
- Others	11.23	10.44
Rent	0.56	4.32
Rates and taxes	0.96	0.78
Insurance	14.27	10.45
Payment to auditors		
As Auditors		
- Audit Fees	3.75	3.75
- Certifications/ Other Services	2.25	2.25
- Reimbursement of expenses	0.29	1.34
Freight and forwarding charges	288.65	356.64
Other selling expenses	62.20	40.44
Provision for warranties and claims	17.69	36.53
Provision for bad and doubtful debts	63.51	47.57
Bad debts, irrecoverable claims and advances written off	-	-
Less: Adjusted against provisions	-	-
Director's sitting fees	2.48	1.98
Professional and Service Charges	55.65	80.74
Tours and Travelling Expenses	118.54	169.14
Printing & Stationery	3.02	2.91
Postage, Telegram & Telephone	11.73	6.81
Advertisement and Publicity	36.40	139.48
ROC filling fees	0.23	-
Provision for expired inventory	202.31	-
Miscellaneous expenses	40.64	51.99
	<b>1,812.51</b>	<b>2,422.79</b>

**31. Tax expense**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	Year ended 31st March, 2023
Current tax	-	-
Provision for tax related to earlier years	-	-
Deferred tax	-	-
	<b>-</b>	<b>-</b>



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**Reconciliation of effective tax**

Particulars	Year ended 31 <sup>st</sup> March, 2024		Year ended 31 <sup>st</sup> March, 2023	
	Rate	(₹ in Lakhs)	Rate	(₹ in Lakhs)
Profit before tax		(2,002.66)		(2,199.04)
Tax using the Company's domestic tax rate	26%	(520.69)	26%	(571.75)
Tax effect of:				
- Deferred tax expense adjusted with deferred tax assets not recognised		509.85		567.96
- Amount related to earlier years		-		-
- Others (including due to permanent differences)		10.84		3.79
		(0.00)		0.00

**32. Earnings per equity share (EPS)****Basic and Diluted earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	For the Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
(i) Profit attributable to equity shareholders (₹ in Lakhs)	(2,002.66)	(2,199.04)
(ii) Weighted average number of equity shares for the year		
At the beginning of the year	21,101,472	14,631,472
At the end of the year	21,101,472	21,101,472
Weighted average number of equity shares		20,290,463
(iii) Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]		
Basic and Diluted (₹)	(9.49)	(10.31)

There is no dilutive potential equity share.

**33. Capital and Other Commitments**

Estimated amount of contracts remaining to be executed and not provided for (net of advances) NIL (31st March, 2023: ₹Rs. 0.00 lakhs).

**34. Contingent Liabilities**

(to the extent not provided for)

**Claims against the Company not acknowledged as debt**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
(i) Sales tax	1.65	1.65
(ii) Bank guarantees outstanding	153.37	77.62
(iii) A case was filled by the ESI authorities for recovery of contribution	4.54	4.54
Total *	159.56	83.81

**\* Notes:**

- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and 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 position. Also, the Company does not expect any reimbursement in respect of the above contingent liabilities.
- Sales Tax demand is pending due to non receiving of 'F' forms from the CFA agents for the year 1993-94, 1996-1997 and 1997-98.
- The case was filled due to recovery notice sent under section 5 of the Revenue Recovery Act, 1950 for recovery of contribution under section 45 b of ESI Act, 1939 (as amended) for the year 1976-77 and pending in Hon'ble Allahabad High Court.
- Bank guarantees given to Army Purchase Organisation against the Performance Bank Guarantee for the year 2021 to 2023.

35. The Company has incurred net loss during the year ended 31st March, 2024, its net worth eroded. Based on positive outlook towards the growth and ability to continue as going concern in the foreseeable future, financial information of the Company for the year ended 31st March 2024, have been prepared on a going concern basis.

**36. Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. manufacturing and trading of FMCG products.



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**37. Related Party Disclosures**

In accordance with the requirements of Indian Accounting Standard (Ind-AS) 24 "Related Party Disclosures", names of the related parties, related party relationships, transactions and outstanding balances, where control exist and with whom transactions have been taken placed during the reported periods are:

**A. Names of related parties and related party relationship****Related parties where control exists during the year**

Holding company	Palash Securities Limited	
Fellow subsidiaries	Champan Marketing Company Limited Hargaon Investment & Trading Company Limited OSM Investment & Trading Company Limited Hargaon Properties Limited	
Key management personnel	Mr. Chandra Shekhar Nopany Mr. Chand Bihari Patodia Mr. Suresh Khandelia Mr. Vinayak Vishwanath Kamath Mrs. Urvi Mittal Mr Shounak Mitra Mrs. Meena Jagtiani Mr. Venu Gopal Chetlur Mr. Pradipta Kumar Sahoo Mr. Sugata Bhattacharya Mr. Abhay Andhare Mr. Vikram Mishra Mrs. Mayuri Raja	– Chairman / Non-Executive Director – Independent / Non-Executive Director – Independent / Non-Executive Director – Independent / Non-Executive Director – Independent / Non-Executive Director – Independent / Non-Executive Director – Independent / Non-Executive Director – Whole-Time Director up to 31st March 2024 – Whole-Time Director w.e.f 1st April 2024 – Chief Financial Officer w.e.f. 6th April,2023 – Chief Financial Officer upto 1st November, 2022 – Company Secretary w.e.f 03.02.2023 – Company Secretary up to 30.12.2022
Key management personnel of holding company	Mrs. Shalini Nopany Mr. Arun Kumar Newar Mr. Chhedi Lal Agarwal Mr. Dinesh Kacholia Mr. Suresh Kumar Khandelia Mr. Chand Bihari Patodia Mr. Sugata Bhattacharya up to 10.02.2024 Mr. Vikram Mishra	– Chairperson / Non-Executive Director – Independent / Non-Executive Director – Independent / Non-Executive Director – Independent / Non-Executive Director – Independent / Non-Executive Director – Managing Director – Chief Financial Officer – Company Secretary

**B. The following transactions were carried out with related parties in the ordinary course of business****a. Inter-corporate deposits received / repaid**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March	Amount received	Amount repaid	Interest due	Amount owed to related parties
From Group Company					
Ganges Securities Limited	2024	1,550.00	20.11	70.97	1,600.86
	2023	1,800.00	2,892.62	92.19	-

**b. Director's sitting fees / Remuneration to KMPs**

(₹ in Lakhs)

	Year ended 31 March	Director's sitting fees	Remuneration to KMPs	Amount owed to related parties
<i>Key management personnel</i>				
Mr. Chandra Shekhar Nopany	2024	0.35	-	
	2023	0.27	-	
Ms. Urvi Mittal	2024	0.30	-	
	2023	0.20	-	
Mr. Suresh Kumar Khandelia	2024	0.48	-	
	2023	0.37	-	
Mr. Chand Bihari Patodia	2024	0.43	-	
	2023	0.30	-	



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Mr. Vinayak Viswanath Kamath	2024	0.28	-	
	2023	0.30	-	
Mr. Shounak Mitra	2024	0.35	-	
	2023	0.33	-	
Ms. Meena Jagtiani	2024	0.30	-	
	2023	0.21	-	
Mr. Sugata Bhattacharya	2024	-	24.70	
	2023	-	3.17	

**(i) Short term employee benefits**

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March	Transaction during the year	Amount owed by related parties	Amount owed to related parties
	2023	3.17	-	-

**(ii) Post employment benefits**

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

**C. Details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013**

(i) The Company has neither given any loan nor has advanced any amount either during the year ended 31<sup>st</sup> March, 2024 or year ended 31<sup>st</sup> March, 2023

**D. Terms and conditions of transactions with related parties**

(i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

(ii) The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.

(iii) For the year ended 31<sup>st</sup> March, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by the related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

**38. Financial instruments - fair values and risk management****A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(₹ in Lakhs)

Particulars	Carrying amount				Fair value
	FVTPL**	FVOCI***	Amortised cost	Total carrying amount	
<b>As at 31<sup>st</sup> March, 2024</b>					
<b>Financial assets not measured at fair value</b>					
Investment in Government Securities	-	-	0.01	0.01	0.01
Trade receivables	-	-	435.46	435.46	435.46
Cash and cash equivalents	-	-	8.76	8.76	8.76
Other bank balances	-	-	-	-	-
Other financial assets	-	-	30.00	30.00	30.00
	-	-	474.23	474.23	474.23
<b>Financial liabilities not measured at fair value</b>					
Borrowing	-	-	3,021.00	3,021.00	3,021.00
Lease Liabilities	-	-	11.26	11.26	11.26
Trade payables	-	-	986.28	986.28	986.28
Other financial liabilities	-	-	161.07	161.07	161.07
	-	-	4,179.61	4,179.61	4,179.61



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Particulars	Carrying amount				Fair value
	FVTPL**	FVOCI***	Amortised cost	Total carrying amount	
(₹ in lakhs)					
<b>As at 31<sup>st</sup> March, 2023</b>					
<b>Financial assets not measured at fair value</b>					
Investment in Government Securities	-	-	0.01	0.01	0.01
Trade receivables	-	-	248.64	248.64	248.64
Cash and cash equivalents	-	-	22.88	22.88	22.88
Other bank balances	-	-	-	-	-
Other financial assets	-	-	18.24	18.24	18.24
	-	-	289.77	289.77	289.77
<b>Financial liabilities not measured at fair value</b>					
Borrowing	-	-	1,969.60	1,969.60	1,969.60
Lease Liabilities	-	-	35.33	35.33	35.33
Trade payables	-	-	949.85	949.85	949.85
Other financial liabilities	-	-	128.26	128.26	128.26
	-	-	3,083.04	3,083.04	3,083.04

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credit, inter corporate deposits and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

FVTPL\*\* Fair Value through Profit and Loss  
FVOCI\*\*\* Fair Value through other comprehensive Value

## B. Measurement of fair values

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

## C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### Risk management framework

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents, other bank balances, investments, loans and other financial assets that derive directly from its operations.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's Risk Management Committee monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis, credit rating	Credit limit and
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk			
Interest rate risk	Long term borrowings at	Sensitivity analysis	Fund management
Regulatory risk	Commercial traction	Impact of policies	Monitoring of Policies and assessing impact
Commodity price risk	Commercial traction	Cash flow forecasting	Business diversification



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**(i) Credit risk**

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivable on case to case basis and has accordingly created loss allowance on trade receivables.

**Exposure to credit risks**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Company evaluates the concentration of risk with respect to trade receivables as low,

The Company's exposure to credit risk for trade receivables by type of counterparty is as follows.

Particulars	(₹ in Lakhs)	
	As at 31st March, 2024	As at 31 <sup>st</sup> March, 2023
Government concerns (including government undertakings)	308.93	103.95
Others	126.53	144.69
	435.46	248.64

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

Ageing of trade receivables are disclosed in Note 8.

During the year, the Company has made the provision of Rs 52.69 lakhs (31<sup>st</sup> March, 2023: Rs 47.57) towards doubtful debts, not written off and the Company is exploiting all means to recover the same. The Company's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

**(ii) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.



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**Exposure to liquidity risks**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

Particulars	Carrying amount	Total	(₹ in Lakhs)			
			Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
<b>As at 31<sup>st</sup> March, 2024</b>						
Cash credit from a bank	1,471.00	1,471.00	1,471.00	-	-	-
Inter-corporate deposits from others	1,550.00	1,550.00	1,550.00	-	-	-
Lease Liabilities*	11.26	11.26	11.26	-	-	-
Trade payables	986.28	986.28	749.78	235.25	1.25	-
Other financial liabilities	161.07	161.07	142.90	5.00	-	13.17
	<b>4,179.61</b>	<b>4,179.61</b>	<b>3,924.94</b>	<b>240.25</b>	<b>1.25</b>	<b>13.17</b>
<b>As at 31<sup>st</sup> March, 2023</b>						
Cash credit from a bank	1,969.60	1,969.60	1,969.60	-	-	-
Inter-corporate deposits	-	-	-	-	-	-
Trade payables	949.85	949.85	949.85	-	-	-
Lease Liabilities*	35.33	37.37	26.85	8.48	2.04	-
Other financial liabilities	128.26	128.26	102.04	5.00	-	21.22
	<b>3,083.04</b>	<b>3,085.08</b>	<b>3,048.34</b>	<b>13.48</b>	<b>2.04</b>	<b>21.22</b>

\* including estimated interest.

**(iii) Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

**Foreign currency risks**

All transactions of the Company are in Indian currency, consequently Company is not exposed to foreign currency risk. The Company has no outstanding foreign currency exposure or related derivative contract.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

**Exposure to interest rate risks**

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	29.43	61.55
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	1,471.00	1,969.60

**Cash flow sensitivity analysis**

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in interest rate at the reporting dates would have increased or decreased equity and profit or loss by the amounts shown below:

Particulars	(₹ in Lakhs)			
	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31<sup>st</sup> March, 2024</b>				
Variable rate instruments	(7.36)	7.36	(5.45)	5.45
<b>31<sup>st</sup> March, 2023</b>				
Variable rate instruments	(9.85)	9.85	(7.29)	7.29

**Regulatory and Commodity price risk**

The Company operations is significantly regulated neither by the Central Govt nor by the State Government, hence regulatory risk to the Company is very low.



**Morton Foods Limited**

(Formerly known as Allahabad Canning Limited)

CIN: U15122UP2015PLC069645

Notes to Financial Statements as at and for the year ended 31st March, 2024 (continued)

**39. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

**The Company's objective when managing capital are to:**

- (a) to maximise shareholders value and provide benefits to other stakeholders, and  
 (b) maintain an optimal capital structure to reduce the cost of capital.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

**40. Ratio Analysis and its elements**

Ratio	Numerator	Denominator	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	Change (%)
Current Ratio (a)	Current Assets	Current Liabilities	0.39	0.78	(50.17)
Debt-Equity Ratio (b)	Total Debts	Shareholder's Equity	1.31	0.46	181.40
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses +	Debt service = Interest & Lease Payments + Principal Repayments	(5.79)	(5.85)	(1.06)
Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	-60.40%	-51.12%	18.17
Inventory Turnover Ratio	Sales	Average Inventory	3.33	3.65	(8.83)
Trade Receivable Turnover Ratio	Net Credit Sales = Gross Credit Sales - Sales Return	Average Trade Receivable	10.24	9.70	5.54
Trade Payable Turnover Ratio (c)	Net Credit Purchases = Gross Credit Purchase - Purchase Return	Average Trade Payable	2.79	5.51	(49.49)
Net Capital Turnover Ratio (d)	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	(2.12)	(6.31)	(66.40)
Net Profit Ratio (%)	Net Profits after taxes	Net Sales = Total Sales - Sales Return	-57.20%	-48.45%	18.06
Return on Capital Employed (%)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-32.46%	-30.19%	7.52
Return on Investment [For Investor]	Difference in Market Value at the beginning and at the end of the year + Dividend Paid	Market Value at the beginning of the year	NA	NA	NA

**Reasons**

- a. Current ratio is lower due nearly 50 % decrease in inventory coupled with increase in borrowings of 50%.  
 b. Debt Equity ratio during the year increase due to increase in borrowings.  
 c. Due to less purchase % decreased.  
 d. Due to less net average working capital gap.



# Morton Foods Limited

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Notes to Financial Statements as at and for the year ended 31st March, 2024 (continued)



## 41. Corporate Social Responsibility (CSR) Expenditure

CSR is not applicable to the company as the company is incurring losses from the preceding three financial years.

## ADDITIONAL REGULATORY REQUIREMENT SCHEDULE

### 42. Utilisation of Borrowed Fund & Share Premium

No funds have been advanced or loaned or invested funds (either 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(i). The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii). The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Rest of the disclosures are not made since those are not applicable.


43. No Dividend has been paid during the year ended 31st March 2024.

44. Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification / disclosure.

For and on behalf of the Board of Directors

As per our report of even date attached.

For Singhi & Co.  
Chartered Accountants  
ICAI Firm's Registration No.: 302049E

  
Sankar Bandyopadhyay  
Partner  
Membership No.: 08230  
Place: Kolkata  
Date: 9th May, 2024



  
Pradipta Kumar Sahoo  
Whole-time Director and CEO  
DIN: 05163167

  
Chandra Shekhar Nopany  
Chairperson  
DIN: 00014587

  
Vikram Mishra  
Company Secretary