Deloitte
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INDEPENDENT AUDITOR'S REPORT

To The Members of Tata Smartfoodz Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tata Smartfoodz Limited (the "Company"), which comprise the Balance Sheet as at March 31 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the 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, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information used in Board's Report including Annexures to Board Report, but does not include the financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the

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Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

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e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year and hence reporting for the provisions of Section 197 of the Act is not applicable to the Company.

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

i. The Company does not have any pending litigations which would impact its financial position

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

iii. There 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 it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mukesh Jain
(Partner)
(Membership No. 108262)
(UDIN: 23108262BGTJMB8012)

Place: Mumbai
Date: April 18, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Tata Smartfoodz Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 with reference to financial statements 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

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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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mukesh Jain
(Partner)
(Membership No. 108262)
(UDIN: 23108262BGTJMB8012)

Place: Mumbai
Date: April 18, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on the examination of the registered lease deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment) are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipments (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantee or securities and hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable. There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) During the year, the Company has rescheduled the terms of repayment of ICDs with its holding company, Tata Consumer Products Limited (TCPL). Having regard to the terms of such approved rescheduling, in our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under Clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year on pledge of securities, hence reporting under clause 3(ix)(f) is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2020 Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) There are 5 Core Investment Companies ("CIC"s) in the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) that are registered with the Reserve Bank of India ("RBI") and 1 CIC which is not required to be registered with the RBI.

(xvii) The Company has incurred cash losses amounting to ₹ 3,074.44 lakhs during the financial year covered by our audit and ₹ 9,705 lakhs in the immediately preceding financial year.

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(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the support letter received from the Parent Company, financial ratios, ageing, support letter from Tata Consumer Products Limited (the "Parent Company") and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mukesh Jain
(Partner)
(Membership No. 108262)
(UDIN: 23108262BGTJMB8012)

Place: Mumbai
Date: April 18, 2023

Tata SmartFoodz Limited
Balance Sheet as at 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non - current assets			
Property Plant and Equipment	3.1	22,772.67	19,825.44
Capital work in progress	3.2	121.86	2,462.29
Right-of-use assets	3.3	2,112.20	2,134.66
Intangible Assets	3.4	0.41	35.41
Financial assets			
Other financial assets	4	153.66	128.31
Other non - current assets	5	5,836.92	5,424.55
Total non - current assets		30,997.72	30,010.66
Current assets			
Inventories	6	1,411.87	816.38
Financial assets			
Investments	7	305.58	16.12
Trade receivable	8	132.70	172.78
Cash and cash equivalents	9	186.55	295.51
Other Bank Balances	10	4.75	-
Other financials assets	4	1,021.61	170.15
Other current assets	5	362.12	334.21
Total current assets		3,425.18	1,805.15
Total assets		34,422.90	31,815.81
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	53,959.13	49,808.43
Other equity	12	(27,908.77)	(23,329.99)
Total equity		26,050.36	26,478.44
Non current liabilities			
Financial liabilities		-	-
Other non current liabilities	15	1,104.92	1,262.62
Provisions	14	30.26	19.12
Total non - current liabilities		1,135.18	1,281.74
Current liabilities			
Financial liabilities			
Borrowings	13	2,500.00	1,475.00
Trade payables			
- Total outstanding dues of Micro & Small Enterprises	16	95.80	73.64
- Total outstanding dues of Creditors other than Micro & Small Enterprises	16	1,534.90	1,080.77
Other current financial liabilities	17	875.64	1,160.42
Other current liabilities	18	2,230.45	260.25
Provisions	14	0.57	5.55
Total current liabilities		7,237.36	4,055.63
Total equity and liabilities		34,422.90	31,815.81

The notes referred above form integral part of notes 1 to 36

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

For and on behalf of the Board of Directors
Tata SmartFoodz Limited
CIN : U15549MH2017PLC301841

Director
Ajit Sukumar Krishnakumar
DIN: 08002754

Deepika K Bhan

Director
Deepika Kaur Bhan
DIN: 09257724

Mukesh Jain
Partner
Membership No.: 108262

CFO
Asha Vincent

Company Secretary
Trevor Fernandes
Membership No. 51137

Place : Mumbai
Date : 18/04/2023

Place : Mumbai
Date : 18/04/2023

Tata SmartFoodz Limited
Statement of Profit and Loss for the period ended 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

	Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
I	Revenue from operations	19	1,570.65	1,467.58
II	Other income	20	56.05	105.87
III	**Total income (I + II)**		1,626.70	1,573.45
IV	**Expenses**			
	Cost of materials consumed	21	1,413.66	813.41
	Change in Inventories of Finished Goods/Stock-in-trade/Work-in-progress	22	(351.04)	812.49
	Employee benefit expenses	23	572.20	2,169.64
	Finance cost	24	437.96	498.27
	Depreciation and amortisation expenses	3	1,526.36	1,521.52
	Other expenses	25	2,603.18	3,916.39
	Total expenses (IV)		6,202.32	9,731.72
V	**Loss before exceptional items (III - IV)**		(4,575.62)	(8,158.27)
VI	**Exceptional Items**		-	128.97
VII	**Loss before tax (III - IV)**		(4,575.62)	(8,287.24)
VIII	**Tax expense**			
	Current tax		-	-
	Deferred Tax		-	-
			-	-
IX	**Loss for the year (V - VI)**		(4,575.62)	(8,287.24)
X	**Other comprehensive income -**			
	- Remeasurement of defined employee benefit plans	32	(3.16)	(11.37)
			(3.16)	(11.37)
XI	**Total comprehensive loss for the year (VII + VIII)**		(4,578.78)	(8,298.61)
XII	**Earnings per equity share - basic and diluted (Face Value of Rs. 10) (Rs.)**	30	(0.86)	(2.07)

The notes referred above form integral part of notes 1 to 36

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Mukesh Jain
Partner
Membership No.: 108262

Place : Mumbai
Date : 18/04/2023

For and on behalf of the Board of Directors
Tata SmartFoodz Limited
CIN : U15549MH2017PLC301841

Director
Ajit Sukumar Krishnakumar
DIN: 08002754

Director
Deepika Kaur Bhan
DIN: 09257724

CEO
Asha Vincent

Company Secretary
Trevor Fernandes
Membership No. 51137

Place : Mumbai
Date : 18/04/2023

Tata SmartFoodz Limited
Cash Flow Statement for the year ended 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

	Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
A.	**Cash Flow From Operating Activities -**				
	Loss before tax		(4,575.62)		(8,287.24)
	Adjustments for :				
	Depreciation and amortisation expenses	1,526.36		1,521.52	
	Loss on sale of Property, Plant and Equipment & Intangible Assets	2.49		63.07	
	Unrealized gain or loss	(25.18)		(21.73)	
	Allowances for credit impairment for trade receivables	(12.59)		12.59	
	Unwinding of Interest on Security deposits	-		6.32	
	Interest on fixed deposit	(0.44)		(0.39)	
	Gain on sale of current investments (net)	(23.60)		(14.69)	
	Finance cost	437.96		498.27	
	Other Income - Deferred Revenue	216.03		(281.38)	
			2,121.03		1,783.58
	Operating Loss before working capital changes		(2,454.59)		(6,503.66)
	Working Capital Changes :				
	Decrease / (Increase) in inventories	(595.49)		1,210.79	
	(Decrease) / Increase in trade payables and other liabilities	1,816.15		704.24	
	(Increase) / Decrease in trade receivables and other assets	(1,264.41)	(43.75)	(1,802.77)	112.26
	Net cash used in Operating Activities		(2,498.34)		(6391.42)
B.	**Cash Flow From Investing Activities -**				
	Sale/ (Purchase)of current investments (net)	(265.86)		573.62	
	Interest received	0.44		0.39	
	Purchase of Property, Plant and Equipment & Intangible Assets including capital advances	(2,283.12)		(2,212.84)	
	Proceeds from sale of Property, Plant and Equipment	204.93		24.15	
	Net cash used in Investing Activities		(2,343.61)		(1,614.67)
C.	**Cash Flow From Financing Activities -**				
	Issue of share capital	4,150.70		3,557.75	
	Proceeds from financials instrument classified as equity	-		18,650.00	
	Proceeds/(Repayment) of short term borrowings	1,025.00		(11,414.32)	
	Payment of interest on short term borrowings	(437.96)		(2,334.80)	
	Payment of lease liability	-		(229.42)	
	Net cash generated from Financing Activities		4,737.74		8,229.21
	Net Increase / (Decrease) in cash and cash equivalents		(104.21)		223.12
	Add: Cash and cash equivalents (Opening)		295.51		72.38
	Cash and cash equivalents (Closing)		191.30		295.51
D.	**Cash and cash equivalents includes - (Refer Note. 9)**				
	Bank balances in Current Accounts		191.30		295.37
	Cash on hand		-		0.14
			191.30		295.51

The notes referred above form integral part of notes 1 to 36

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Mukesh Jain
Partner
Membership No.: 108262

Place : Mumbai
Date : 18/04/2023

For and on behalf of the Board of Directors
Tata SmartFoodz Limited
CIN : U15549MH2017PLC301846

Director
Ajit Sukumar Krishnakumar
DIN: 08002754

Director
Deepika Kaur Bhan
DIN: 09257724

CFO
Asha Vincent

Company Secretary
Trevor Fernandes
Membership No. 51137

Place : Mumbai
Date : 18/04/2023

Tata SmartFoodz Limited
Cash Flow Statement for the year ended 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

1 General Information

Tata SmartFoodz Limited, incorporated on 16 November 2017 under the Companies Act, 2013 with its objects of carrying on business of manufacturing and marketing ready-to-eat products. For this purpose, it has set up a manufacturing unit at Sri City, Chittoor District, Andhra Pradesh.

The functional and presentation currency of the Company is Indian Rupee which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded off to nearest lakhs unless otherwise indicated

Till 16th November 2021, the compnay was a subsidiary of Tata Industries Lts. With effect form 16th November, 2021 the company is a wholly owned subsidiary of Tata Consumer Products Limited as it has acquired the 100 percent ownership rights from Tata Industries Limited.

The Board of Directors approved the financial statements for the year ended March 31,2023 and authorised for issue in accordance with a resolution of the Board of Directors on 18th April, 2023 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

2 Summary of statement of compliance, basis of preparation and presentation, critical accounting estimates, assumptions and judgements

2.1 Statement of compliance

The financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) as notified under the Section 133 of the Companies Act, 2013. ("the Act") read along (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of Financial Statements is based on Ind AS Schedule III of Companies Act, 2013.

2.2 Basis of preparation and presentation

The financial statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the periods presented. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.
The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, considering the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(ii) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan and other long-term employment benefits is determined based on actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

(iv) Impairment of trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(vi) Impairment losses on investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the

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2.4 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurement, including level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 The principal accounting policies are set out below:

2.5.1 Revenue recognition

The company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

•Step 1: Identify the contract(s) with a customer
•Step 2: Identify the performance obligation in contract
•Step 3: Determine the transaction price
•Step 4: Allocate the transaction price to the performance obligations in the contract
•Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Sale of goods

Revenue from sale of goods is recognised on transfer of control of goods over to the customer. Sales are recorded net of returns (if any), trade discounts, rebates, and goods and service tax.

Other income

Dividend income from investments is recognised in the year in which the right to receive the payment is established. Interest income from debt instruments is recognised using the effective interest rate method.

2.5.2 Leasing

Company as a lessee

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 a lessee

The company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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 interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the company classifies each of its leases as either an operating lease or a finance lease. The company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the company applies Ind AS 115 Revenue to allocate the consideration in the contract.

2.5.3 Foreign currency

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

2.5.4 Employee benefits

(a) Defined Contribution Plans

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

The Company's contributions to the recognized provident fund and pension maintained with the Central Government are considered as defined contribution plans. The Company has no further obligations for future provident fund and pension fund other than its annual contributions.

(b) Defined Benefit Plans

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or enhancements are recognised in profit and loss as past service cost.

(c) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

(d) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly after the end of the period in which the employees render the related services. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as liabilities in the balance sheet as on reporting period, regardless of when the actual settlement is expected to occur.

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2.5.5 Earning per share

The Company presents basic and diluted earnings per share ("EPS"). Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.5.6 Income taxes

Income tax expense comprises current tax expense and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.
Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which gives future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realized.

2.5.7 Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are stated at their historical cost of acquisition or construction less accumulated depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Depreciation/Amortization

Depreciation on property, plant and equipment has been provided on Straight Line Method (SLM), considering the useful lives and residual value prescribed in Schedule II of the Companies Act, 2013

Leasehold land and infrastructure facilities are amortized over the period of lease, being 99 years.
Building and Roads are amortized over the period of 30 and 10 years respectively.
Mobile phones are amortised over the period of 2 years
Plant and Machinery are amortised over the period of 2 to 20 years
Computers and servers are amortised over the period of 3 to 4 years
Furniture and fixtures are amortised over the period of 2 to 10 years

2.5.8 Intangible assets

Intangible assets represented by computer software and is stated at their cost of acquisition, inclusive of incidental expenses incurred in relation thereto. They are amortized by allocating the cost of an asset as an expense over their useful life. The useful life of an asset is reviewed by the Management at each balance sheet date.

2.5.9 Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets/cash generating units and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

2.5.10 Inventories

Basis of Valuation:-

Inventories are valued at lower of cost or net realisable value after providing for obsolescence & other losses whenever considered necessary. The cost of inventories comprises of cost of materials and other costs incurred in bringing the inventories to their present location and condition.

Materials - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished Goods - Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. The cost is determined on the basis of standard cost which is closely approximate actual cost

2.5.11 Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.5.12 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5.13 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers regularly monitors and reviews the operating result of the whole Company taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

2.5.14 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less income earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

2.5.15 Provisions, Contingent liabilities and contingent assets

The Company recognizes provisions when there is present obligation as a result of past events and it is probable that there will be an outflow of resources and reliable estimate (legal or constructive) of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risk and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities are disclosed for

- possible obligation which will be confirmed only by future events not wholly within the control of the Company
- present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

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2.5.16 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of profit or loss.

For the purposes of subsequent measurement, financial instruments of the Company are classified in the following categories:

a) Non derivative financial assets comprising amortised cost
b) Financial assets fair value at fair value through other comprehensive income
c) Financial assets at fair value through profit or loss

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial assets

Recognition and initial measurement

The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement of the financial assets

(i) Financial assets carried at amortised cost

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

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the Statement of profit or loss.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

Equity Instruments

All investments in equity instruments other than Investment in subsidiary classified under financial assets are initially measured at fair value, the company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss.

Investment in units of mutual funds are measured at its fair value.

Impairment of Financial assets:

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

Derecognition of Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

<u>Financial liabilities</u>

a. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

d. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.
- A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109

L

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss. Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

e. Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

f. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

g. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.5.17 Point of Sale Material

Point of Sale Material are valued at cost and are disclosed under advertisement and publicity expenses under "Other Expenses"

2.5.18 Government Grants

The company recognises the capital grants as a deferred revenue and charges to statement of profit and loss systematically in the proportions of the weighted average life of the assets to which the grant pertains and grants related to the revenue expenditure shall be recognised in the statement of profit and loss on an accrual basis matching it with the period for which the grant pertains.

2.5.19 Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

2.6 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Tata SmartFoodz Limited
Statement for Changes in Equity for the period ended 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

A. Equity Share Capital -

Equity share capital -

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs. 10/- each	**600,000,000.00**	**60,000.00**	500,000,000.00	50,000.00
	600,000,000.00	**60,000.00**	500,000,000.00	50,000.00
Issued, Subscribed & Paid up Equity Shares of Rs. 10/- each	**539,591,335**	**53,959.13**	498,084,304.00	49,808.43
	539,591,335.00	**53,959.13**	498,084,304.00	49,808.43

B. Other Equity

Particulars	Retained Earnings
Balance at at 1st April 2021	(15,031.38)
Loss for the year	(8,287.24)
Other Comprehensive Income for the year	(11.37)
Balance at at 1st April 2022	**(23,329.99)**
Loss for the current year	**(4,575.62)**
Other Comprehensive loss for the current year	**(3.16)**
Balance as at 31 March 2023	**(27,908.77)**

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Mukesh Jain
Partner
Membership No.: 108262

Place : Mumbai
Date : 18/04/2023

For and on behalf of the Board of
Tata SmartFoodz Limited
CIN : U15549MH2017PLC301841

Director
Ajit Sukumar Krishnakumar
DIN: 08002754

Director
Deepika Kaur Bhan
DIN: 09257724

CFO
Asha Vincent

Company Secretary
Trevor Fernandes
Membership No. 51137

Place : Mumbai
Date : 18/04/2023

Tata SmartFoodz Limited
Notes forming part of the financial statements as at 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

3.1 Property, Plant and Equipment

Particulars	Leasehold improvement	Building and roads	Plant & machinery	Furniture & fixtures	Office equipment	Computers	Laboratory equipment	Electrical installations & equipment	Vehicles	Total
Property, Plant and Equipments										
At Cost										
Balance at 1 April 2021	113.95	7,491.49	11,310.38	335.22	201.04	111.92	254.16	757.68	4.02	20,579.86
Additions	-	149.41	2,048.06	21.14	15.96	5.18	22.23	46.62	-	2,308.60
Disposals	(97.58)	-	-	(38.12)	(34.38)	(31.83)	-	(0.88)	-	(202.79)
Balance as at 31 March 2022	16.37	7,640.90	13,358.44	318.24	182.62	85.27	276.39	803.42	4.02	22,685.68
Additions		**395.93**	**3,777.97**	**102.43**	**25.43**	**11.99**	**56.36**	**85.12**	-	**4,455.23**
Disposals	**(16.37)**		**(14.28)**	**(24.40)**	**(24.82)**	**(30.16)**	**(55.12)**	-	-	**(165.15)**
Adjustment	-	-	**148.23**	**1.70**	**(6.73)**	**14.44**	**5.93**	**2.23**	-	**165.80**
Balance as at 31 March 2023	**0.00**	**8,036.83**	**17,270.36**	**397.97**	**176.50**	**81.54**	**283.56**	**890.77**	**4.02**	**27,141.56**
Accumulated depreciation										
Balance as at 1 April 2021	53.83	374.95	875.49	76.02	84.09	54.32	32.51	95.45	0.06	1,646.72
Depreciation charge for the year	21.65	282.95	803.74	62.33	41.92	31.68	29.43	74.30	0.25	1,348.25
Disposals/adjustments	(70.10)	-		(21.30)	(21.23)	(21.91)	-	(0.20)	-	(134.74)
Balance as at 31 March 2022	5.38	657.90	1,679.23	117.05	104.78	64.09	61.94	169.55	0.31	2,860.24
Depreciation charge for the year	**2.87**	**291.41**	**950.26**	**42.44**	**29.85**	**13.22**	**33.63**	**78.76**	**0.24**	**1,442.67**
Disposals/adjustments	**(8.25)**		**(2.67)**	**(16.31)**	**(17.98)**	**(28.76)**	**(26.26)**	-	-	**(100.23)**
Adjustment			**159.30**	**5.56**	**-10.93**	**0.90**	**5.94**	**5.44**		**166.21**
Balance as at 31 March 2023	**0.00**	**949.31**	**2,786.12**	**148.74**	**105.72**	**49.45**	**75.24**	**253.75**	**0.55**	**4,368.88**
Net book value										
As at 31 March 2023	-	**7,087.52**	**14,484.24**	**249.23**	**70.78**	**32.09**	**208.31**	**637.02**	**3.47**	**22,772.67**
As at 31 March 2022	10.99	6,983.00	11,679.21	201.19	77.84	21.18	214.45	633.87	3.71	19,825.44

Tata SmartFoodz Limited
Notes forming part of the financial statements as at 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

3.2 CWIP and Intangibles under development aging schedule

The ageing of CWIP as of 31 March, 2023 are as follows :

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	112.71	9.15	-	-	**121.86**

The ageing of CWIP as of 31 March, 2022 were as follows :

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,462.07	0.22	-	-	**2,462.29**

Tata SmartFoodz Limited
Notes forming part of the financial statements as at 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

3.3 Right-of-use assets

Particulars	Leasehold land	Premises on lease	Infrastructure facilities	Total
Balance as at 1 April 2021	475.86	329.67	1,726.17	2,531.70
Addition during the year	-	-	-	-
Disposals/adjustments	-	(329.67)	-	-329.67
Balance as at 31 March 2022	475.86	-	1,726.17	2,202.03
Addition	-	-	-	-
Disposals	-	-	-	-
Adjustment	**4.33**	-	**15.71**	**20.04**
Balance as at 31 March 2023	**480.19**	-	**1,741.88**	**2,222.07**
Accumulated Depreciation				
Balance as at 1 April 2021	9.71	149.57	35.20	194.48
Depreciation charge for the year	4.86	80.79	17.60	103.25
Disposals/adjustments	-	(230.36)	-	-230.36
Balance as at 31 March 2022	14.57	-	52.80	67.37
Depreciation charge for the year	**4.85**		**17.61**	**22.47**
Disposals				-
Adjustments	**4.32**		**15.71**	**20.03**
Balance as at 31 March 2023	**23.74**	-	**86.12**	**109.87**
Net book value				
As at 31 March 2023	**456.45**	-	**1,655.76**	**2,112.20**
As at 31 March 2022	461.29	-	1,673.37	2,134.66

(in Indian Rupees lakhs unless otherwise stated)

3.4 Intangible Assets

Particulars	Computer Software
At cost	
Balance at 1 April 2021	226.20
Addition	5.20
Disposals	(44.90)
Balance as at 31 March 2022	186.50
Addition	
Disposals	**(168.14)**
Adjustment	**0.57**
Balance as at 31 March 2023	**18.93**
Accumulated amortisation	
Balance as at 1 April 2021	80.59
Amortisation charge for the year	96.22
Disposals/adjustments	(25.73)
Balance as at 31 March 2022	151.09
Amortisation charge for the year	**61.21**
Disposals	**(168.14)**
Adjustments	**(25.64)**
Balance as at 31 March 2023	**18.52**
Net book value	
As at 31 March 2023	**0.41**
As at 31 March 2022	35.41

Tata SmartFoodz Limited
Notes forming part of the financial statements as at 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

4 Other financial assets

Particulars	Non current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Fixed deposit with bank having original maturity more than 12 months (*)	-	4.75	-	-
Security deposits	153.66	122.23	-	78.08
Interest accrued	-	1.33	1.61	-
Other receivables	-	-	1,020.00	92.07
Total	153.66	128.31	1,021.61	170.15

5 Other Assets

Particulars	Non current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Capital advances	0.00	123.30	3.88	-
Prepaid expenses	-	-	32.12	269.41
Trade and other advances	-	-	323.90	59.91
Balances with statutory authorities - GST	3,927.88	3,454.87	-	-
Balances with statutory authorities (Revenue Subsidy with Andhra Pradesh Government)	269.73	202.98	-	-
Balances with statutory authorities (Others)	-	-	2.22	4.89
Government grant receivable	1,634.31	1,643.40	-	-
Other Asset	5.00	-		-
Total	5,836.92	5,424.55	362.12	334.21

6 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost or net realisable value)		
Raw materials and components	374.80	293.98
Less: Provision for obsolescence Raw	(29.86)	(58.15)
Raw materials and components (Net)	344.94	235.83
Stores and spares	373.13	358.55
Packing material	329.57	417.86
Less: Provision for obsolescence Packing Materials	-	(209.05)
Packing material (Net)	329.57	208.81
Stock in trade	-	0.95
Work - in - progress	219.08	0.13
Finished goods	145.18	48.58
Less: Provision for Finished Goods	(0.03)	(36.47)
Finished goods (Net)	145.15	12.11
Total	1,411.87	816.38

7 Current investments

Particulars	As at 31 March 2023	As at 31 March 2022
Quoted		
Investments in Mutual Funds (Valued at Fair Value through Profit & Loss)		
Units of ICICI prudential liquid fund direct plan - growth	108.81	11.84
Units of Tata liquid fund direct plan- growth	-	4.28
TATA Money Market Fund Direct Plan - Growth	196.77	-
Total	305.58	16.12

Tata SmartFoodz Limited
Notes forming part of the financial statements as at 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

8 Trade receivable

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Considered good - secured	-	-
(b) Considered good - unsecured	132.70	172.78
(c) Credit impaired	-	12.59
Less: allowances for credit impairment	-	(12.59)
Total	132.70	172.78

8A Trade Receivables ageing schedule

The ageing of trade receivables as of 31 March, 2023 are as follows :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled/ Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good- Secured							-
(ii) Undisputed Trade receivables – considered good- Unsecured	67.37	36.68	2.43	24.64	1.57		132.70
(iii) Undisputed Trade Receivables – credit impaired							-
(iv) Disputed Trade Receivables – credit impaired							-
Total	67.37	36.68	2.43	24.64	1.57	-	132.70
Less: Allowances for credit impaired							-
Total Trade Receivable							132.70

The ageing of trade receivables as of 31 March, 2022 were as follows :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled/ Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good- Secured	-	-	-	-	-	-	-
(ii) Undisputed Trade receivables – considered good- Unsecured	73.36	74.82	24.60	-	-	-	172.78
(iii) Undisputed Trade Receivables – credit impaired	5.30	6.06	-	1.18	0.05	-	12.59
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-		-
Total	78.66	80.88	24.60	1.18	0.05	-	185.37
Less : Allowance for credit loss							12.59
Total Trade Receivable							172.78

9 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks in current accounts	186.55	295.37
Cash on hand	-	0.14
Total	186.55	295.51

10 Other Bank Balances

Particulars	As at 31 March 2023	As at 31 March 2022
Deposit exceeding 3 months	4.75	-
Total	4.75	-

* Fixed deposit on lien against issue of bank guarantee amounting Rs 4.75 lakhs valid up to 22 September 2023 in favour of the director general of fire service, Government of Andhra Pradesh.

Tata SmartFoodz Limited
Notes forming part of the financial statements as at 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

11 Equity share capital -

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Authorised 60 Crore (31st March 2022: 50 Crore) Equity Shares of Rs. 10/- each	**600,000,000**	**60,000.00**	500,000,000	50,000.00
	600,000,000	**60,000.00**	500,000,000	50,000.00
Issued, Subscribed & Paid up 53.96 Crore (31st March 2022: 49.81 Crore) Equity Shares of Rs. 10/- each	**539,591,335**	**53,959.13**	498,084,304	49,808.43
	539,591,335	**53,959.13**	498,084,304	49,808.43

A Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year -

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the period	**498,084,304**	**49,808.43**	99,900,000	9,990.00
Add: Shares issued for cash	**41,507,031**	**4,150.70**	35,577,455	3,557.75
Add : Shares issued on conversion		-	362,606,849	36,260.68
At the end of the period	**539,591,335**	**53,959.13**	498,084,304	49,808.43

B Rights, preferences and restrictions attached to equity shares -

The Company has only one class of equity share having a par value of Rs.10 per share. Each holder of equity share is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of Preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

C Details of shares held by shareholders holding more than 5% of the aggregate equity shares -

Name of the Shareholder/Promoter	As at 31 March 2023		As at 31 March 2022	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Tata Consumer Products Limited and its nominees (Holding Company)	**539,591,335**	**100%**	498,084,304	100%
Total	**539,591,335**	**100%**	498,084,304	100%

D Details of shares held by promoters at the end of the year in the Company -

Shares held by the Promoters				
Serial No.	**Promoters Name**	**No. of Shares held (Details for each class of Shares Separately)**	**% of total Shares**	**% Change during the year**
1	Tata Consumer Products Limited	539,591,335	100%	0%
Total		**539,591,335**		

(in Indian Rupees lakhs unless otherwise stated)

12 Other equity -

Particulars	As at 31 March 2023	As at 31 March 2022
Retained Earnings :		
Balance at the beginning of the year	**(23,329.99)**	(15,031.38)
Add : (Loss) for the year	**(4,575.62)**	(8,287.24)
Add : Other comprehensive income for the year	**(3.16)**	(11.37)
Balance at the end of the year	**(27,908.77)**	(23,329.99)
Total	**(27,908.77)**	(23,329.99)

13 Borrowings

Particulars	Current	
	As at 31 March 2023	As at 31 March 2022
Unsecured		
- 7.50% Inter Corporate Deposits (ICD) taken from holding company *	**2,500.00**	1,475.00
Total	**2,500.00**	1,475.00

*** Inter Corporate Deposits have been taken to meet the daily operational requirements.**

14 Provisions

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for Employee Benefits (Unfunded) (refer note 35)				
-Gratuity	**17.82**	19.12	**0.57**	3.77
-Leave encashment	**12.44**	-		1.78
Other Provisions	-		-	
Total	**30.26**	19.12	**0.57**	**5.55**

15 Other non current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Government grant	**1,104.92**	1,262.62
Total	**1,104.92**	1,262.62

16 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
- Total outstanding dues of micro enterprises and small enterprises	**95.80**	73.64
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,534.90**	1,080.77
Total	**1,630.70**	1,154.41

16A Trade Payables ageing schedule

The ageing of trade payables as of 31 March, 2023 are as follows :

Particulars	Outstanding for the following periods from due date of payment					Total
	Unbilled/ Not Due	Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	68.23	27.58				95.80
(ii) Others	1,075.91	389.25	68.25	0.17	1.32	1,534.90
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
Total	**1,144.14**	**416.83**	**68.25**	**0.17**	**1.32**	**1,630.70**

The ageing of trade payables as of 31 March, 2022 were as follows :

Particulars	Outstanding for the following periods from due date of payment					Total
	Unbilled/ Not Due	Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	57.43	16.21	-	-	-	73.64
(ii) Others	968.07	111.91		0.79		1,080.77
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,025.50**	**128.12**	-	**0.79**	-	**1,154.41**

(in Indian Rupees lakhs unless otherwise stated)

17 Other current financial liablities

Particulars	As at 31 March 2023	As at 31 March 2022
Payable to creditors for capital goods/services	**602.90**	571.41
Payable to creditors for capital goods/services - MSME	**170.37**	113.34
Employee benefits payable	**63.56**	460.41
Interest accrued but not due payable to holding company	**38.81**	-
Other Payables	-	15.26
Total	**875.64**	1,160.42

18 Other current liabilities -

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	**26.98**	104.32
Advance from customer	**15.70**	6.53
Government grant	**148.77**	149.40
Customs Duty Payable	**2,039.00**	-
Total	**2,230.45**	260.25

Tata SmartFoodz Limited
Notes forming part of the financial statements for period ended 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

19 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from Contract with Customers		
- Revenue from Sale of Goods	1,304.31	1,166.18
	1,304.31	**1,166.18**
Other operating revenues		
- Scrap sales	-	3.77
- Raw material sales	50.31	16.25
- Subsidies	216.03	281.38
	266.34	301.40
Total	**1,570.65**	1,467.58

20 Other Income -

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gain on Investments	23.60	14.76
Gain on exchange fluctuations (net)	25.18	-
Interest income on financial assets at amortised cost	0.44	8.56
Gain on sale of property, plant and equipment	6.43	-
Miscellaneous income	0.40	82.55
Total	**56.05**	105.87

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Tata SmartFoodz Limited
Notes forming part of the financial statements for period ended 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

21 Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Stock	475.61	890.67
Add: Purchases	1,612.53	646.23
Less: Closing Stock	674.48	475.61
Raw material	374.81	293.98
Packing material	329.57	417.86
Trading goods	-	0.95
Provision for inventories	(29.89)	(237.18)
Sub Total (A)	1,413.66	1,061.29
Reallocated to Advertisement & Publicity and Testing, Research and Development	-	247.88
Sub Total (B)	-	247.88
Sub Total	1,413.66	1,061.29
Total (A-B)	1,413.66	813.41

22 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at beginning of the year :		
Work - in - progress	0.13	75.63
Finished goods	12.12	749.81
Stock in trade	0.95	0.25
Sub Total (A)	13.20	825.69
Inventory at end of the year :		
Work - in - progress	219.08	0.13
Finished goods	145.16	12.12
Stock in trade	-	0.95
Sub Total (B)	364.24	13.20
Total (A-B)	(351.04)	812.49

23 Employee benefit expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, allowances, other benefits and incentives	459.03	1,871.48
Contribution to provident and allied funds	22.64	68.27
Gratuity	10.45	9.86
Staff welfare expenses	80.08	220.03
Total	572.20	2,169.64

(in Indian Rupees lakhs unless otherwise stated)

24 Finance Cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on lease liability	-	14.77
Interest expense on Borrowings (effective interest rate method)	**57.96**	483.50
Interest Expense - Others	**380.00**	-
Total	**437.96**	498.27

25 Other Expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement and Publicity	**352.50**	1,206.69
Repairs and maintenance	**146.57**	184.87
Power and Fuel	**306.10**	285.89
Freight	**85.92**	145.57
Contract services	**308.70**	527.88
Professional and Legal fees	**117.51**	154.75
Customs Duty on EPCG*	**640.00**	-
Miscellaneous Expenses	**645.88**	1,410.74
Total	**2,603.18**	3,916.39

*Based on assessment by the management, it is believed that the carrying amount of custom duty paid on import of machine will exceed the recoverble amount.

25A Audit Fees :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Audit Fees	**14.65**	20.28
Other Audit services	**9.00**	2.00
Other Certification	-	0.32
Out of Pocket expenses	**0.71**	0.74
Total	**24.36**	23.34

26 Contingent liabilities

26.1 The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) Scheme, wherein the company has saved custom duty of an amount of Rs. 1,925/- lakhs. The Company has undertaken to fulfill export obligation to the extent of 6 times of duty saved amount within a period of 6 years from the date of Import which amounts to obligation of Rs.11,550 lakhs. In the event of non fulfilment of the said obligation, the Company shall be called upon to pay the amount of custom duty saved of Rs 1,925 lakhs plus interest thereon against the said licenses, the Company's banker has given a guarantee of Rs. 290.10 lakhs to the commissioner of customs of which Bank Guarantee amounting Rs. 193 lakhs was issued during the financial year 2018-19, Rs. 24.60 lakhs was issued during the Financial Year 2019-20, Rs. 46.50 lakhs was issued during the Financial Year 2020-21 and Rs. 26 Lakhs was issued during the financial year 2021-22 .The company's banker has also given performance bank guarantee of Rs 4.75 lakhs in favour of the director general of fire service, Government of Andhra Pradesh.

Export obligation on date of expiry	As at 31 March 2023	As at 31 March 2022
26-Dec-22	-	5,647.99
07-Mar-23	-	2,026.40
25-Nov-23	982.73	982.73
17-Aug-24	1,860.00	1,857.03
08-Jun-25	1,029.85	1,029.85
Total	**3,872.58**	**11,544.00**

Notes

The Company is required to fulfill export obligation equivalent to six times the duty saved, out of which amount pertaining to 50% of the export obligation is required to be fulfilled within first four years from the date of issue of EPCG License, herein called "First Block" and Balance 50% is required to be fulfilled within next two year from the due date of completion of the "First Block". During the year, based on assessment of the export sales the company has made necessary provision for the amount of custom duty to be paid along with necessary interest thereon for the first block of Export Obligations getting due in FY23.

27 Capital Commitment

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**462.31**	950.10
Total	**462.31**	950.10

28 Segment Reporting -

The Company manufactures ready to eat food products, which is the only operating activity and hence separate disclosure requirements as per the Ind AS - 108 on Segment Reporting are not applicable.

29 Related Party Disclosures -

A. List of Related Parties with whom transactions have taken place and their relationship :

Name of the Related Party and Relationship

a. **Holding Company**

Tata Consumer Products Limited (from 16th November 2021)
Tata Industries Limited - (upto 15th November 2021)

b. **Subsidiaries of Holding Company**

Tata Consumer Soulful Private Limited
Tata Consumer Products GB Limited
Tata Waters LLC
Tata Consumer Products Canada Inc.

c. **Joint Venture of Holding Company**

Tata Starbucks Private Limited

d. **Division of Holding Company**

Tata Industries Limited

d. **Promoter of Holding Company**

Tata Sons Private Limited

e. **Key Management Personnel**

Mr. Balark Banerjea (CEO) - upto 31st January, 2022

Note : The above related parties are as identified by the Company and relied upon by the Statutory Auditors.

Tata SmartFoodz Limited
Notes forming part of the financial statements for period ended 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

B Transactions with Related Parties and outstanding balances as of year end :

	Nature of Transactions	Holding Company	Fellow Subsidiary	Joint Venture of Holding Company	Key Management Personnel
a.	**Salary Cross-charge of Employee**				
	Tata Industries Limited	(-)	- (52.97)	- (-)	- (-)
b.	**Commision sevices received**				
	Tata Starbucks Private Limited	- (-)	- (-)	- (2.93) (-)	- (-)
	Tata Chemicals Limited	- (-)	- (-)	0.09 (0.85)	- (-)
c.	**Remuneration paid**				
	Mr. Balark Banerjea (CEO) - For the Period 1st April 21 - 31st January, 2022	- (-)	- (-)	- (-)	- (88.43)
d.	**Equity Instrument (OCD) converted to Equity Shares**				
	Tata Industries Limited - OCD converted into equity shares (For the Period 1st April 21 - 15th November 2021)	- (34,250.00)	- (-)	- (-)	- (-)
e.	**Equity Instrument Issued**				
	Tata Industries Limited - (For the Period 1st April 21 - 15th November 2021)	- (18,650.00)	- (-)	- (-)	- (-)
	Tata Consumer Products Limited	4,150.70 (5568.43)	- (-)	- (-)	- (-)
f.	**NCD's repaid**				
	Tata Industries Limited - (For the Period 1st April 21 - 15th November 2021)	- (14,900.00)	- (-)	- (-)	- (-)
	Tata Consumer Products Limited	1,475.00 (3425.00)	- (-)	- (-)	- (-)
g.	**Interest Expense**				
	Tata Industries Limited - (For the Period 1st April 21 - 15th November 2021)	- (409.79)	- (-)	- (-)	- (-)
	Tata Consumer Products Limited	57.04 (74.52)	- (-)	- (-)	- (-)
h.	**Purchase of property, plant and equipment**				
	Tata Consumer Products Limited	2.82 (-)	- (-)	- (-)	- (-)
i.	**Purchase of Goods/Services**				
	Tata Consumer Products Limited (Including GIT of 95.94)	205.10 (-)	(-)	(-)	(-)
j.	**ICD's taken**				
	Tata Consumer Products Limited	2,500.00 (4900.00)	- (-)	- (-)	- (-)
k.	**Sale of Asset**				
	Tata Consumer Products Limited	61.07 (27.03)	- (-)	- (-)	- (-)

Tata SmartFoodz Limited
Notes forming part of the financial statements for period ended 31 March 2023
(In Indian Rupees lakhs unless otherwise stated)

	Sale of goods				
l.	Tata Consumer Products Limited	1,112.93 (378.49)	- (-)	- (-)	- (-)
	Tata Waters LLC	- (-)	148.09 (-)	- (-)	- (-)
	Tata Consumer Products Canada Inc.	- (-)	23.56 (-)	- (-)	- (-)
	Tata Consumer Products GB Ltd.	- (-)	31.04 (-)	- (-)	- (-)
m.	Gratuity Liability paid for the employees transferred				
	Tata Consumer Soulful Private Limited	- (-)	0.12 (0.34)	- (-)	- (-)
	Tata Advanced Systems Limited		0.13 (-)		
	Tata Consumer Products Limited	0.53 (51.18)	- (-)	- (-)	- (-)
n.	Others				
	Tata Industries Limited	1,020.00 (-)	- (-)	- (-)	- (-)
	TATA Waters LLC	- (-)	375.56 (-)	- (-)	- (-)
	Tata Consumer Products Limited	229.65 (-)	- (-)	- (-)	- (-)
o.	Outstanding Balances			As at 31 March 2023	As at 31 March 2022
	Tata Consumer Products Limited			(2,860.46)	(1,963.47)
	Tata Waters LLC			(281.62)	-
	Tata Consumer Products GB Ltd.			(2.88)	-
	Tata Industries Limited			1,020.00	-

Notes
1. Figures in brackets pertain to Financial Year 2021-22
2. Related parties have been identified by the Management and relied upon by the Auditors
3. Related Party transactions and balances with respect to the Holding Company are based on the confirmation received.

(in Indian Rupees lakhs unless otherwise stated)

30 Earnings Per Share :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(Loss)/Profit after tax	(4,575.62)	(8,287.24)
Weighted average number of equity shares outstanding during the year	530,380,158	400,022,431
Face Value of Share	10	10
Earnings Per Share (Basic)	(0.86)	(2.07)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
No. of Equity Shares outstanding	498,084,304	99,900,000
Add: Weighted Average Equity Shares	32,295,854	300,122,431
Weighted average number of Equity Shares	530,380,158	400,022,431

31 Financial Instruments :

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note No. 2.5.16 of the financial statements.

31.1 Financial assets and liabilities :

The carrying value of financial instruments by categories as of 31 March, 2023 are as follows :

Particulars	Note No.	Fair Value through Profit & Loss (*)	Amortised Cost	Carrying amount As at 31 March, 2023
Financial assets -				
Non - Current -				
Other financial assets	4	-	**153.66**	**153.66**
Current -				
Investments	7	**305.58**	-	**305.58**
- Trade receivable	8	-	**132.70**	**132.70**
Cash and cash equivalents	9	-	**186.55**	**186.55**
Other Bank Balances	10	-	**4.75**	-
Other financials assets	4	-	**1,021.61**	**1,021.61**
		305.58	**1,499.27**	**1,800.10**
Financial liabilities -				
Non - Current -				
Lease liabilities	14	-	**0.00**	**0.00**
Current :				
Borrowings	13	-	**2,500.00**	**2,500.00**
Lease liabilities	14	-	-	-
Trade payables	16	-	**1,630.70**	**1,630.70**
Other current financial liabilities	17	-	**875.64**	**875.64**
		-	**5,006.34**	**5,006.34**

(*) Valuation done based on Level 1 inputs i.e. quoted price

The carrying value of financial instruments by categories as of 31 March 2022 were as follows :

Particulars	Note No.	Fair Value through Profit & Loss (*)	Amortised Cost	Carrying amount As at 31 March, 2022
Financial assets -				
Non - Current -				
Other financial assets	4	-	128.31	128.31
Current -				
Investments	7	16.12	-	16.12
- Trade receivable	8		172.78	172.78
Cash and cash equivalents	9	-	295.51	295.51
Other financials assets	4	-	170.15	170.15
		16.12	766.75	782.87
Financial liabilities -				
Non - Current -				
Lease liabilities	14		-	-
Current :				
Lease liabilities	14		-	-
Borrowings	13		1,475.00	1,475.00
Trade payables	16	-	1,154.41	1,154.41
Other current financial liabilities	17	-	1,160.42	1,160.42
		-	3,789.85	3,789.85

(*) Valuation done based on Level 1 inputs i.e. quoted price

Tata SmartFoodz Limited
Notes forming part of the financial statements for period ended 31 March 2023
(in Indian Rupees lakhs unless otherwise stated)

31.2 Financial Risk Management :

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- market risk; and
- liquidity risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management is responsible for developing and monitoring the risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees how management 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.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.
The carrying amounts of financial assets represent the maximum credit risk exposure.

The Company is in initial stage of development and therefore does not foresee material credit risk.

Financial instruments and cash deposits

Credit risk from balances/investments with banks and financial institutions is managed in accordance with the Company's treasury risk management policy. Investments of surplus funds are made only in recognised Mutual Fund to avoid any risk of financial loss.

ii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

(a) Currency risk

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are dominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken, if require based on transactions entered into by the Company. It does not have material currency risk.

The Company's foreign currency exposure in other than functional currency

Particulars	Currency	As at 31 March 2023	As at 31 March 2022
Payable towards capital expenditure *	USD	**2.93**	(1.17)
Payable to creditors for capital goods/services	JPY	-	225.03
Receivable towards Sales	USD	**1.18**	-

*Net Consoritum Payment to be made.

(b) Equity price risk

The Company does not have any investment in equity securities and therefore it is not exposed to related risk.

(c) 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 rates.

As the Company does not have exposure to any floating-interest bearing assets or liabilities or any significant long-term fixed-interest bearing assets and therefore the Company is not exposed to related risk.

(in Indian Rupees lakhs unless otherwise stated)

iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments, if any:

Contractual maturities of Non-derivative financial liabilities

As at 31 March 2023	**Upto 1 year**	**1 to 2 year**	**3 to 5 year**	**Above 5 year**	**Total**
Borrowing	2,500.00	-	-	-	**2,500.00**
Trade payables	1,630.70	-	-	-	**1,630.70**
Other financial liabilities	875.64	-	-	-	**875.64**
Total	**5,006.34**	-	-	-	**5,006.34**

As at 31 March 2022	Upto 1 year	1 to 2 year	3 to 5 year	Above 5 year	Total
Borrowing	1,475.00	-	-	-	1,475.00
Trade payables	1,154.41	-	-	-	1,154.41
Other financial liabilities	1,160.42	-	-	-	1,160.42
Total	3,789.83	-	-	-	3,789.83

31.3 Capital Management :

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Capital structure of the Company is as follows:

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Total liabilities	2,500.00	1,475.00
Less: Cash and cash equivalents	186.55	295.51
Adjusted net liabilities	2,313.45	1,179.49
Total equity	26,050.36	26,478.44
Adjusted net liabilities to total equity ratio	0.09	0.04

Tata SmartFoodz Limited
Notes forming part of the financial statements for period ended 31 March 2023
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32 Employee Benefits

A) Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for all employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs 22.64 lakhs (Previous Year: Rs. 68.27 lakhs) for provident fund contributions in the Statement of Profit and Loss.

B) Defined benefit plans

The Company has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the company. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of financial year. The defined benefit plan is unfunded.

i) The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Defined Benefit Obligation	**22.89**	50.11
Current service cost	**7.75**	11.80
Interest expense/(income)	**1.19**	2.60
Liability transferred		-52.07
Assets transferred		
Total amount recognised in Profit or Loss	**8.94**	-37.67
Remeasurements due to :-		
Acturial loss/(gain) arising due to changes in Financial Assumption	**(4.04)**	
Acturial loss/(gain) arising due to changes in Demographic Assumptions	**7.56**	11.37
Acturial loss/(gain) arising due to changes in Experience Changes	**(0.36)**	
Total amount recognised in Other Comprehensive Income	**3.16**	11.37
Benefits paid	**(15.95)**	-0.92
Liability assumed/ (settled)	**(0.65)**	
Net liability /(Assets) recognised in the Balance Sheet	**(4.50)**	-27.22
Employer's Contribution		
Closing Defined Benefit Obligation	**18.39**	22.89

ii) Expense recognised in Statament of Profit and Loss for the Year

Particulars	As at 31 March 2023	As at 31 March 2022
Current Service Cost	**7.75**	11.80
Interest Cost on Defined Benefit Obligation	**1.19**	2.60
Total recognised in statement of Profit and Loss	**8.94**	14.40

iii) Expense recognised in Other Comprehensive Income for the year

Particulars	As at 31 March 2023	As at 31 March 2022
Acturial loss/(gain) arising due to changes in Financial Assumption	**(4.04)**	
Acturial loss/(gain) arising due to changes in Demographic Assumptions	**7.56**	11.37
Acturial loss/(gain) arising due to changes in Experience Changes	**(0.36)**	
Total recognised in Other Comprehensive Income	**3.16**	11.37

iv) Maturity analysis of the Benefits payment from the Fund/Employer:

Expected Total Benefit Payments	As at 31 March 2023	As at 31 March 2022
Within 12 Months	**0.57**	3.77
Between 2 and 5 years	**6.36**	13.19
Between 6 and 9 years	**7.80**	8.31
10 years and above	**31.16**	3.66

v) Principal Acturial Assumptions used

Expected Total Benefit Payments	As at 31 March 2023	As at 31 March 2022
Discount Rate	**5.66%**	7.60%
Salary Escalation Rate	**9.00%**	9.00%

vi) Sensitivity analysis

Quantative sensitivity analysis for defined obligation to changes in the principal assumptions is as below:

Assumption	Impact on defined benefit obligation	
	As at 31 March 2023	As at 31 March 2022
Discount Rate		
Impact of increase in 50 basis points on Defined Benefit Obligation	**(0.86)**	-0.41
Impact of decrease in 50 basis points on Defined Benefit Obligation	**0.93**	0.43
Salary Escalation Rate		
Impact of increase in 50 basis points on Defined Benefit Obligation	**0.90**	0.38
Impact of decrease in 50 basis points on Defined Benefit Obligation	**(0.86)**	-0.37

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Tata SmartFoodz Limited
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33 Disclosure of assets taken on lease

A. The disclosure with respect to assets taken on leases as of 31 March, 2023 are as follows :

Right of use assets

Particulars	Premises on lease	Infrastructure facilities	Total
Balance as at 1 April 2022	461.29	1,673.37	2,134.66
Disposals during the year	-	-	-
Depreciation for the period	(4.85)	(17.61)	(22.46)
Balance as at 31 March 2023	**456.44**	**1,655.76**	**2,112.20**

Breakdown of lease expenses (other than interest and depreciation)

Particulars	As at 31 March 2023
Expenses related to short-term leases	-
Total lease expense	-

Maturity analysis

As at 31 March 2023	Upto 1 year	1 to 2 year	3 to 5 year	Above 5 year	Total
Lease liabilities	-	-	-	-	-

B. The disclosure with respect to assets taken on leases as of 31 March, 2022 are as follows :

Right of use assets

Particulars	Premises on lease	Infrastructure facilities	Total
Balance as at 1 April 2021	646.26	1,690.97	2,337.23
Disposals during the year	(99.32)	-	- 99.31
Depreciation for the period	(85.65)	(17.60)	(103.25)
Balance as at 31 March 2022	**461.29**	**1,673.37**	**2,134.67**

Breakdown of lease expenses (other than interest and depreciation)

Particulars	March 31, 2022
Expenses related to short-term leases	77.58
Total lease expense	**77.58**

Cash outflow on leases

Particulars	March 31, 2022
Total cash outflow for leases	229.42

Maturity analysis

March 31, 2022	Upto 1 year	1 to 2 year	3 to 5 year	Above 5 year	Total
Lease liabilities	-	-	-	-	-

34 Going concern:

Notwithstanding the accumulated losses of the Company and the fact that the current liabilities exceeds the current assets as at the year end, these financial statements have been prepared on a going concern basis in view of the business plan of the Company approved by its Board of Directors and continued support of its Holding Company. The company has obtained a comfort letter for Fiscal Year FY 23-24, from its holding company i.e. Tata Consumer Products Limited, indicating that the its will take necessary actions to infuse funds to meets liabilities as and when they fall due.

(in Indian Rupees lakhs unless otherwise stated)

35 Ratios

Ratios	Formula	Items included in numerator	Items included in denominator	Calculation	Whether there has been a variation of more than 25% from the	Previous financial year ratios	% variance	Reason for variation of more than 25% from the previous financial year
Current Ratio	Current Assets / Current Liabilities	All Current Assets	All Current Liabilities	0.47	Yes	0.45	(6%)	Not Applicable Movement < 25%
Debt-Equity Ratio	Total Debts / Shareholders Equity	Intercorporate deposits + Accrued Interest+ Total Lease liabilities	Shareholders Equity	0.10	Yes	0.06	(72%)	Increase due to ICD taken from Holding company.
Debt Service Coverage Ratio	Operating Income / Current Debts	Profit After Tax + Depreciation & Amoritzation + Interest Cost	Intercorporate deposits + Accrued Interest+ Current Lease liabilities	(104%)	Yes	(528%)	80.22%	Better EBIT vs PY
Return on Equity Ratio	Net Income / Shareholders Equity	Profit/Loss after tax before OCI	Average Shareholders Equity	(17%)	Yes	(45%)	61.07%	Increase in Equity coupled with better EBIT.
Inventory turnover Ratio	Cost of goods sold/ Average Inventory	Cost of Material consumed + Changes in inventory	Average of opening and closing inventory	0.95	No	1.14	16.60%	Not Applicable Movement < 25%
Trade Receivables turnover Ratio	Net Credit Sales / Average trade receivables	Net Credit Sales (Net of cash sales)	Average of opening and closing trade receivables	10.28	Yes	12.71	19.10%	Not Applicable Movement < 25%
Trade payables turnover Ratio	Net Credit Purchases / Average trade payables	Net Credit Purchases	Average of opening and closing trade payables	1.16	Yes	3.78	69.35%	Driven by better cost control.
Net capital turnover Ratio	Net Annual Sales / Working Capital	Net Sales	Current Assets - Current Liabilities	(0.41)	Yes	3.68	111.19%	On account of higher borrowings (i.e. ICD).
Net profit Ratio	Net Profit / Revenue	Profit/Loss after tax before OCI	Net Sales	(291%)	Yes	(699%)	58.30%	Driven by cost control leading to better EBIT.
Return on Capital Employed	EBIT / Capital Employed	Earnings before interest and tax	Total assets - current liabilities + current debts - intangible assets	(14%)	Yes	(27%)	47.75%	Driven by better EBIT vs PY
Return on Investment	Net Income / Investments	Profit/Loss after tax	Total Assets	(13%)	Yes	(26%)	48.97%	Driven by better EBIT vs PY

36 **Relationship with Stuck off Companies**

Name of Struck off Companies	Nature of transactions	Transactions during the year 31 March 2023	Balance outstanding as on 31 March 2023	Relationship with the struck off company
Multitech System Industrial	Payable	61,794.24	-	Vendor

The notes referred above form integral part of notes 1 to 36

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Mukesh Jain
Partner
Membership No.: 108262

Place : Mumbai
Date : 18/04/2023

For and on behalf of the Board of Directors
Tata SmartFoodz Limited
CIN : U15549MH2017PLC301841

Director
Ajit Sukumar Krishnakumar
DIN: 08002754

Director
Deepika Kaur Bhan
DIN: 09257724

CFO
Asha Vincent

Company Secretary
Trevor Fernandes
Membership No. 51137

Place : Mumbai
Date : 18/04/2023