

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited financial results of Prataap Snacks Limited for the quarter ended 30 June 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Prataap Snacks Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Prataap Snacks Limited (hereinafter referred to as "the Company") for the quarter ended 30 June 2023 ("the Statement") (in which are included financial results of Prataap Snacks Employee Welfare Trust)
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2023 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 6 of the Statement which describes the effect of change in the accounting policy to include the interim unaudited financial results of Prataap Snacks Employee Welfare Trust in the unaudited financial results of the Company for the period ended 30 June 2023. Accordingly, figures for the corresponding periods ended 30 June 2022 and 31 March 2023 have been restated to reflect this change.

Limited Review Report (Continued)

Prataap Snacks Limited

7. The Statement includes the interim financial results of Prataap Snacks Employee Welfare Trust which has not been reviewed, whose interim financial results reflects total revenues (before consolidation adjustments) of Rs. 22.91 lakhs , total net profit / (loss) after tax (before consolidation adjustments) of Rs. 1.27 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 1.27 lakhs, for the quarter ended 30 June 2023, as considered in the Statement. According to the information and explanations given to us by the management, these financial results are not material to the Company.

Our conclusion is not modified in respect of this matter.

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

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Ashwin Bakshi

Partner

Indore

02 August 2023

Membership No.: 506777

UDIN:23506777BGYIHE9471



Prataap Snacks Limited
Registered and Corporate Office: Khasra No. 378/2, Nemawar Road,
Near Makrand House, Indore, Madhya Pradesh, 452020, India
Tel: (91 731) 243 9999; Fax: (91 731) 243 7605;
CIN: L15311MP2009PLC021746
E-mail: complianceofficer@yellowdiamond.in, Website : www.yellowdiamond.in
Unaudited Ind AS Financial Results for the Quarter ended 30 June 2023

(INR in lakhs except as stated)

Particulars	Quarter ended			Year Ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited (Refer note 3 and note 6)	Unaudited (Refer note 6 and note 7)	Audited (Refer note 6)
I Revenue from operations				
Sales / Income from operations	38,590.21	39,790.51	37,572.54	1,64,170.91
Other operating income (Refer Note 4)	191.95	(1,128.23)	684.58	1,122.31
II Other income	171.43	141.71	198.63	776.05
III Total Income (I + II)	38,953.59	38,803.98	38,455.75	1,66,069.27
IV Expenses				
(a) Cost of materials consumed	25,037.95	26,132.63	29,535.12	1,19,101.97
(b) Purchases of stock-in-trade	223.98	435.81	59.04	849.22
(c) Changes in inventories of finished goods and stock-in-trade	424.89	(80.99)	(48.83)	(748.69)
(d) Employee benefits expenses	1,950.58	2,080.52	1,697.78	7,540.64
(e) Finance cost	133.88	141.72	169.83	654.59
(f) Depreciation and amortisation expenses	1,525.51	1,527.73	1,407.32	6,212.91
(g) Impairment losses on financial assets	91.56	124.35	35.92	385.49
(h) Other expenses	7,768.28	8,079.35	7,173.14	31,921.86
Total Expenses	37,156.63	38,441.12	40,029.32	1,65,917.99
V Profit before exceptional item and tax (III - IV)	1,796.96	362.86	(1,573.57)	151.28
VI Exceptional item (Refer Note 5)	95.91	-	-	-
VII Profit / (Loss) before tax (V - VI)	1,701.05	362.86	(1,573.57)	151.28
VIII Tax expense				
(a) Current tax	315.62	211.80	(890.92)	85.65
(b) Deferred tax (including minimum alternate tax)	42.96	(74.43)	313.08	(30.10)
(c) Tax adjustments in respect of earlier years	-	(1,935.45)	-	(1,935.45)
IX Net Profit / (Loss) for the period (VII - VIII)	1,342.47	2,160.94	(995.73)	2,031.18
X Other Comprehensive Income (OCI)				
(a) Items that will not be reclassified to profit or loss	5.82	11.92	24.85	73.74
(b) Income tax relating to above	(2.03)	(3.47)	(8.68)	(25.77)
XI Total Comprehensive Income / (Loss) for the period (IX + X)	1,346.26	2,169.39	(979.56)	2,079.15
XII Paid-up equity share capital - Face value of INR 5 each	1,192.97	1,172.65	1,172.65	1,172.65
XIII Other equity				66,450.66
XIV Earnings per share of INR 5 each (Not annualised)				
Basic - INR	5.63	9.06	(4.25)	8.51
Diluted - INR	5.63	9.06	(4.25)	8.51





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Unaudited Ind AS Financial Results for the Quarter ended 30 June 2023

Notes:

- 1 The above Ind AS financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 2 August 2023.
- 2 The Company has determined 'Snacks Food' as the only reportable segment as evaluated by the chief operating decision maker for allocation of resources and for assessing performance. There are no other reportable segments as per Ind AS 108 'Operating Segment'. Accordingly, no separate segment information has been provided.
- 3 The figures for quarter ended 31 March 2023 are balancing figures between audited figures in respect of full financial year ended 31 March 2023 and the unaudited published year-to-date figures upto 31 December 2022 which were subjected to limited review.
- 4 The Company vide letter dated 3 December 2021 received approval under the Production Linked Incentive Scheme ('PLI') introduced by Ministry of food processing industries (MOFPI). The approval was granted under ready to cook/ ready to eat (RTC/ RTE) segment of the aforesaid scheme. The incentive under PLI is subject to meeting certain conditions related to defined incremental sales thresholds and committed investment for eligible products. Till quarter ended 31 December 2022 the Company was of the view that it would be able to comply with all the required conditions attached to the PLI and that it would be eligible for incentive under the said scheme for the financial year ending 31 March 2023. Accordingly, the Company had recognised PLI Incentive of INR 424.69 lakhs, INR 365.70 lakhs and INR 338.50 lakhs under Other Operating Income during the quarters ended 30 June 2022, 30 Sep 2022 and 31 Dec 2022 respectively and INR 1128.89 lakhs for the nine months ended 31 Dec 2022. However, due to lower demand in quarter ended 31 March 2023, especially in rural markets, the Company could not meet the annualised sales criteria which was required to be achieved for the year ended 31 March 2023 and therefore reversed the total PLI incentive of INR 1128.89 lakhs in the quarter ended 31 March 2023.
- 5 There was a fire accident in the finished goods warehouse of a Co-manufacturing plant situated at Hoogly, West Bengal, on 6 June 2023. The fire impacted the inventories lying at the warehouse; however, there were no human casualties. The total financial loss due to this event is INR 95.91 lakhs. Considering the nature of the event and magnitude of financial impact, this loss has been disclosed as an exceptional item in the unaudited Ind AS financial results for the quarter ended 30 June 2023. Pending completion of the survey and acceptance of the claim by the insurance company, the insurance claim receivable has not been accounted for in the books of accounts.





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Unaudited Ind AS Financial Results for the Quarter ended 30 June 2023

Notes (Cont'd.):

- 6 The Company had formulated an Employee Stock Purchase Plan (ESPP) whereby the Company granted loan to employees through a separate trust called the Prataap Snacks Employee Welfare Trust (the 'Trust') for providing monetary assistance to the employees for acquisition of shares granted under the ESPP plan. The Trust was identified as a subsidiary. In the standalone financial statements, the Company had adopted the policy considering the Trust as a legal entity separate from the Company and therefore, was not consolidating the Trust in the standalone financial statements. The Company recognized the loan given to the trust as financial asset and tested it for impairment on a periodic basis in accordance with the requirements of applicable accounting standards. However, given that the Trust was identified as a subsidiary, the trust was consolidated for the purpose of consolidated financial statements and consequently, the related loan to trust (including interest) appearing in the standalone financial statements of the Company was eliminated.

During the quarter ended June 2023, the Company has changed the accounting policy to consolidate the Trust in the standalone financial results to reflect more appropriate presentation of the activity of the Trust as the Trust carries out activities for the benefit of the employees of the Company. Consequently, in the standalone financial results of the Company, the loan given to the Trust (including interest) is eliminated.

This change in accounting policy has been given effect by restating the comparative information for the preceding period in accordance with the requirements of applicable standards for change in accounting policy.

This has resulted in change in the comparative unaudited/audited results for the previous periods as follows:

Particulars	Quarter ended		Year Ended
	31.03.2023	30.06.2022	31.03.2023
Other income			
As previously reported	140.63	197.25	770.98
Adjustments	1.08	1.38	5.07
As Restated	141.71	198.63	776.05
Finance cost			
As previously reported	141.68	169.83	654.55
Adjustments	0.04	-	0.04
As Restated	141.72	169.83	654.59
Other expenses			
As previously reported	8,079.25	7,209.06	31,921.76
Adjustments	0.10	-	0.10
As Restated	8,079.35	7,209.06	31,921.86
Basic and Diluted EPS			
As previously reported	9.05	(4.85)	8.49
Adjustments	0.01	0.01	0.02
As Restated	9.06	(4.84)	8.51

Consequent to the above, the Company has not prepared its consolidated financial results as there is no other subsidiary / joint venture / associate entity that is required to be consolidated in the financial statements of the Company after this change in accounting policy.





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Unaudited Ind AS Financial Results for the Quarter ended 30 June 2023

Notes (Cont'd.):

7 The Board of Directors of the Company at its meeting held on 29 September 2021 approved the Scheme of Arrangement (the "Scheme") for merger of its subsidiaries (transferor companies) with the Company (transferee company). Application seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench and Indore bench on 8 June 2022 and 12 May 2022 respectively.

NCLT, Ahmedabad bench sanctioned the Scheme and pronounced its order on 10 February 2023, a certified copy of which was received by the Company on 23 February 2023. NCLT, Indore bench sanctioned the Scheme and pronounced its order on 3 March 2023, then suo moto amended it on 15 March 2023 and a certified copy of this order was received by the Company on 21 March 2023.

Pursuant to the merger of Transferor companies, the previous period results have been revised to give effect to the merger. Unaudited Standalone Ind AS Financial Results for the Quarter ended 30 June 2022, as available on the Company's website are as under:

Statement of Profit and loss	Quarter ended.
Particulars	30.06.2022
Total Income	33,203.35
Total Expenses	34,375.44
Profit before tax	(1,172.09)
Net Profit / (Loss) for the period	(838.62)



For and on behalf of the Board of Directors of
Prataap Snacks Limited

Arvind Mehta
Chairman and
Executive Director

Amit Kumar
Managing Director and
Chief Executive Officer

Place: Indore

Date: 02 August 2023

DIN - 00215183

DIN - 02663687