

# AVADH SNACKS PRIVATE LIMITED

## Consolidated Financial Statements 2018-2019

Auditors

**Viradiya & Associates**

Chartered Accountants

FF 16, 3<sup>rd</sup> Floor, Samruddhi Bhavan,  
Gondal Road, Rajkot-360002



### INDEPENDENT AUDITOR'S REPORT

To the Members of Avadh Snacks Private Limited

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

##### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Avadh Snacks Private Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

##### Basis for Opinion

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

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.



**Other Information**

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

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

**Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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



consolidated Ind AS 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 consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.
- We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements



As required by Section 143(3) of the Act, based on our audit and the other financial information of subsidiaries 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 of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2019, and taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and controlled trust incorporated in India during the year ended March 31, 2019.

For Viradiya & Associates  
Chartered Accountants  
ICAI Firm Registration Number: 133125W

per Harshil Viradiya  
Partner

Membership Number: 131136

Place of Signature: Rajkot

Date: May 20, 2019





**Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Avadh Snacks Private Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Avadh Snacks Private Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Avadh Snacks Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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 internal financial controls over financial reporting with reference to these consolidated financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated 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 Over Financial Reporting With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Viradiya & Associates  
Chartered Accountants  
ICAI Firm Registration Number: 133125W

per Harshil Viradiya,  
Partner  
Membership Number: 131136

Place of Signature: Rajkot  
Date: May 20, 2019



**Avadh Snacks Private Limited**

**Consolidated Balance Sheet as at 31 March 2019**

(All amounts in INR lakhs, unless otherwise stated)

	Notes	31 March 2019 INR lakhs	31 March 2018 INR lakhs
<b>I ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment	3	1,499.78	1,264.54
(b) Capital work-in-progress	3	260.96	-
(c) Intangible assets	4	126.48	125.00
(d) Financial assets			
(i) Other non-current financial assets	5	10.02	27.12
(e) Deferred tax assets (net)	16	0.24	9.93
(f) Tax assets (net)	6	13.47	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,910.95</b>	<b>1,426.59</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	7	827.72	535.05
(b) Financial assets			
(i) Trade receivables	8	151.42	149.01
(ii) Cash and cash equivalents	9	872.07	95.53
(iii) Bank balance (other than (ii) above)	10	15.00	-
(c) Other current assets	11	180.42	19.74
<b>TOTAL CURRENT ASSETS</b>		<b>2,046.63</b>	<b>799.33</b>
<b>TOTAL ASSETS</b>		<b>3,957.58</b>	<b>2,225.92</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	12	71.09	65.00
(b) Other equity	13	3,153.61	1,255.18
<b>TOTAL EQUITY</b>		<b>3,224.70</b>	<b>1,320.18</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES:</b>			
(a) Financial liabilities			
(i) Borrowings	14	-	-
(b) Provisions	15	11.13	-
(c) Deferred tax liabilities (net)	16	-	-
(d) Tax liabilities (net)	19	-	5.23
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11.13</b>	<b>5.23</b>
<b>CURRENT LIABILITIES:</b>			
(a) Financial liabilities			
(i) Borrowings	14	29.06	578.07
(ii) Trade payables			
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	17	617.00	171.05
(b) Other current liabilities	18	75.69	151.39
<b>TOTAL CURRENT LIABILITIES</b>		<b>721.75</b>	<b>900.51</b>
<b>TOTAL LIABILITIES</b>		<b>732.88</b>	<b>905.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,957.58</b>	<b>2,225.92</b>

Summary of significant accounting policies

2.2

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

As per our report of even date

For Viradiya & Associates

ICAI Firm registration number: 133125W

Chartered Accountants

per Harshil Viradiya  
Partner

Membership no.: 131136



For and on behalf of the Board of Directors of  
Avadh Snacks Private Limited

Rajeshbhai Mansukhbhai Savani  
Director  
DIN - 07357631

Neel Rasikbhai Jagani  
Director  
DIN - 001951621



Place: Rajkot  
Date: 20 May 2019

Place: Rajkot  
Date: 20 May 2019



Avadh Snacks Private Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2019 INR lakhs	Year ended 31 March 2018 INR lakhs
I Revenue from operations	20	15,472.83	6,695.48
II Other income	21	5.91	-
III <b>TOTAL INCOME (I + II)</b>		<b>15,478.74</b>	<b>6,695.48</b>
IV <b>EXPENSES</b>			
(a) Cost of materials consumed	22	13,120.49	5,542.81
(b) Purchases of stock-in-trade		211.31	-
(c) Changes in inventories of finished goods and stock-in-trade	23	32.53	(108.57)
(d) Employee benefits expense	24	457.70	302.47
(e) Finance costs	25	23.69	32.14
(f) Depreciation and amortisation expense	26	188.28	170.02
(g) Other expenses	27	916.64	434.91
<b>TOTAL EXPENSES</b>		<b>14,950.64</b>	<b>6,373.78</b>
V <b>Profit before tax and exceptional item (III - IV)</b>		<b>528.10</b>	<b>321.70</b>
VI Exceptional item		-	(137.63)
V <b>Profit before tax (III - IV)</b>		<b>528.10</b>	<b>184.07</b>
VI <b>Tax expenses</b>			
(a) Current tax	16	118.15	126.78
(b) Deferred tax	16	8.50	(10.27)
<b>Total tax expenses</b>		<b>126.65</b>	<b>116.51</b>
VII <b>Profit for the year (V - VI)</b>		<b>401.45</b>	<b>67.56</b>
VIII <b>Other comprehensive income</b>			
(i) <b>Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement gain / (loss) on defined benefit plan		4.26	-
(b) Income tax relating to above	16	(1.19)	-
<b>Total other comprehensive income for the year (net of tax)</b>		<b>3.07</b>	<b>-</b>
IX <b>Total comprehensive income for the year (VII + VIII)</b>		<b>404.52</b>	<b>67.56</b>
X <b>Earnings per equity share:</b>			
[Equity shares of face value of INR 10 (31 March 2018: INR 10) each]			
(a) Basic	28	53.42	10.39
(b) Diluted	28	53.42	10.41

Summary of significant accounting policies 2.2

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

As per our report of even date

For Viradiya & Associates

ICAI Firm registration number: 133125W

Chartered Accountants

per Harsh Viradiya  
Partner

Membership no.: 131136



For and on behalf of the Board of Directors of  
Avadh Snacks Private Limited

Rajeshbhai Mansukhbhai Savani  
Director

DIN - 07357631

Neel Rasikbhai Jagani  
Director

DIN - 07357621



Place: Rajkot

Date: 20 May 2019

Place: Rajkot

Date: 20 May 2019

**Avadh Snacks Private Limited**

**Consolidated Statement of Changes in Equity for the year ended 31 March 2019**

(All amounts in INR lakhs, unless otherwise stated)

**A. EQUITY SHARE CAPITAL:**

**Equity shares issued, subscribed and fully paid**

**At 1 October 2017**

No. in lakhs	INR lakhs
<b>5.00</b>	<b>50.00</b>

Changes in equity share capital during 2017-18:

Issued during the year - Fresh issue

1.50	15.00
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**At 31 March 2018**

<b>6.50</b>	<b>65.00</b>
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Changes in equity share capital during 2018-19:

Issued during the year - Fresh issue\*

1.02	6.09
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**At 31 March 2019**

<b>7.52</b>	<b>71.09</b>
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\*fresh issue of shares - The Company has issued 101563 equity shares of INR 10 each (Partly Paid up Rs 6 per share) to Prataap Snacks Limited.

**B. OTHER EQUITY:**

**For the year ended 31 March 2019**

	Capital reserve	Securities premium	Retained earnings	Total other equity
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>As at 31 March 2018</b>	-	<b>1,140.00</b>	<b>115.18</b>	<b>1,255.18</b>
Net profit for the year	-	-	401.45	401.45
Other comprehensive income	-	-	3.07	3.07
<b>Total comprehensive income</b>	-	-	<b>404.52</b>	<b>404.52</b>
Premium on issue of equity shares	-	1,493.91	-	1,493.91
<b>As at 31 March 2019</b>	-	<b>2,633.91</b>	<b>519.70</b>	<b>3,153.61</b>

**For the year ended 31 March 2018**

	Capital reserve	Securities premium	Retained earnings	Total other equity
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>As at 1 October 2017</b>	-	-	<b>47.62</b>	<b>47.62</b>
Net profit for the year	-	-	67.56	67.56
<b>Total comprehensive income</b>	-	-	<b>67.56</b>	<b>67.56</b>
Premium on issue of equity shares	-	1,140.00	-	1,140.00
<b>As at 31 March 2018</b>	-	<b>1,140.00</b>	<b>115.18</b>	<b>1,255.18</b>

As per our report of even date

**For Viradiya & Associates**

ICAI Firm registration number: 133125W

Chartered Accountants

per Harshil Viradiya  
Partner

Membership no.: 131136



**For and on behalf of the Board of Directors of  
Avadh Snacks Private Limited**

*Rajesh*

Rajeshbhai Mansukhbhai Savani  
Director

DIN - 07357631

*Neel Rasikbhai Jagani*

Neel Rasikbhai Jagani  
Director

DIN - 07357621



Place: Rajkot

Date: 20 May 2019

Place: Rajkot

Date: 20 May 2019

**Avadh Snacks Private Limited**

**Consolidated Cash Flows Statement for the year ended 31 March 2019**

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	528.10	184.07
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expense	188.30	170.02
Loss on sale of property, plant and equipment	(7.60)	-
Loss on discard of property, plant and equipment	8.52	-
Provision for doubtful receivables and advances	9.67	-
Interest expenses	23.53	31.91
Interest income	5.91	-
<b>Operating profit before working capital changes</b>	<b>756.44</b>	<b>386.00</b>
<b>Working capital adjustments:</b>		
Decrease / (increase) in inventories	(292.67)	(334.37)
Decrease / (increase) in trade receivables	(12.06)	(113.92)
Decrease / (increase) in other financial assets	17.10	(16.84)
Decrease / (increase) in other assets	(160.76)	44.57
Increase / (decrease) in trade payables	446.02	(96.02)
Increase / (decrease) in other financial liabilities	(75.70)	141.90
Increase / (decrease) in provisions	15.39	-
	<b>693.76</b>	<b>11.32</b>
Income tax paid (including TDS) (net)	(136.85)	(123.30)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>556.91</b>	<b>(111.98)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(708.29)	(1,067.09)
Proceeds from sale of property, plant and equipment	7.98	-
Purchase of intangibles including assets under development	(1.58)	(125.00)
Interest received	(5.91)	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(707.80)</b>	<b>(1,192.09)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	6.09	(10.00)
Proceeds from premium on issuance of equity share capital	1,493.91	1,140.00
Proceeds from short-term borrowings	-	267.00
Repayment of short-term borrowings	(549.04)	-
Interest paid	(23.53)	(31.91)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>927.43</b>	<b>1,365.09</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>776.54</b>	<b>61.02</b>
Cash and cash equivalents at the beginning of the year	<b>95.53</b>	<b>34.51</b>
<b>Cash and cash equivalents at the end (refer Note 9)</b>	<b>872.07</b>	<b>95.53</b>

As per our report of even date

**For Viradiya & Associates**

ICAI Firm registration number: 133125W

Chartered Accountants

per Harshil Viradiya  
Partner

Membership no.: 131136



Place: Rajkot

Date: 20 May 2019

**For and on behalf of the Board of Directors of  
Avadh Snacks Private Limited**

*Rajesh*

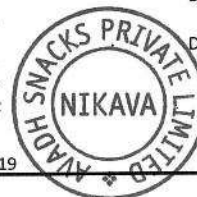
Rajeshbhai Mansukhbhai Savani  
Director

DIN - 07357631

*Neel R. Jaganani*

Neel Rasikbhai Jaganani  
Director

DIN - 07357621



Place: Rajkot

Date: 20 May 2019

## Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 1: Corporate information**

Avadh Snacks Private Limited ('ASPL' or 'the Holding Company') is a private limited Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Holding Company is located at Survey No 128, Plot No 1, Opp. Super Tech Industries, Nikava, Jamnagar-Gujarat, 361162, India having CIN U1532GJ2017PTC098837. The Holding Company is principally engaged in the manufacturing of snacks food.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 20 May 2019.

**Note 2.1: Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS ) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Land and buildings classified as property, plant and equipments.
- Contingent consideration.

The consolidated financial statements are presented in India Rupee ( 'INR' ) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

**Note 2.2: Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries as at March 31, 2019.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation procedures:**

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



## Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 2.3: Summary of significant accounting policies****A) Current vs Non-current classification**

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**B) Significant accounting judgements, estimates and assumptions**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the consolidated financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

**Estimates and assumptions**

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

**(i) Useful lives of property, plant and equipment and intangible assets**

The Group reviews the useful life of plant and equipment and intangible assets (including investment property) at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2.3 (E), (F) and (G) for management estimate of useful lives.

**(ii) Taxes**

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised.

**(iii) Discount and rebates on sales**

The Group provides discount and rebates on sales to certain customers based on sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. To estimate the amount of discount, the company applies accumulated experience using the most likely method. The Group determines that the estimates of discounts are not constrained based on its historical experience, business forecast and the current economic conditions. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected discount.

**(iv) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model ("DCF"). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows (DCF). The key assumptions take into consideration the probability of meeting each performance target and the discount factor. The contingent consideration is classified as other financial liability.





## Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**C) Revenue from operations****(i) Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the good is transferred to the customer, generally on delivery of the goods. The normal credit term is 15 to 30 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., discount and rebates on sales). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right to return defective / damaged products and discount and rebates on sales. The rights to return and discount and rebates on sales give rise to variable consideration.

The Group provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. Accumulated experience and judgement based on historical experience and the specific terms of the scheme are used to estimate and provide for the discount and rebates on sales and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A refund liability included in other current financial liabilities is recognised for expected discounts and rebates payable to customers in relation to sales made until the end of the reporting period.

The Group does not generally accept sales return, except in limited cases where the goods supplied are damaged in transit / production related issues occur subsequently. Historical experience is used to estimate such returns at the time of sale. No asset is recognised for products to be recoverable from these returns, as they are not anticipated to be resold.

The Group does not expect to have any contracts where the period between the transfer of promised goods to the customers and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

**Contract balances**Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

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

**(ii) Interest income**

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

**D) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Government grants such as sales tax incentive schemes are recognised in the statement of profit and loss as a part of other operating revenues.





## Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**E) Property, plant and equipment**

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

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 Group 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 the statement of profit and loss during the reporting period in which they are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on a straight line method over estimated useful lives of the assets. The management has estimated the below useful life and the same is supported by technical advice:

Property, plant and equipment	Useful lives
Factory building	30 years
Plant and equipments	10 years
Electrical installations	10 years
Furniture and fixtures	10 years
Computers	3 years
Office equipments	3 years
Vehicles	8 years

**F) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of amortisation policies applied to the Group's intangible asset is as below:-

Intangible assets	Useful lives
Computer software	5 years

**G) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 2.3: Summary of significant accounting policies (Cont'd.)**

**H) Inventories**

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actual.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

**I) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**The Company as lessee**

**Operating lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease rents under operating leases are recognised in the statement of profit and loss on straight line basis, except where escalation in rent is in line with expected general inflation.

**J) Segment reporting**

Based on "management approach" as defined in Ind AS 108 - Operating segments, the management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Group has only one business segment 'snacks food'.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

**K) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, for which it is probable that cash out flow may be required and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**L) Retirement and other employee benefits**

**Short term employee benefits**

All short term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences (such as casual leave) are recognised on an undiscounted basis and charged to the statement of profit and loss.

**Defined contribution plan**

Retirement benefits in the form of provident fund is a defined contribution scheme. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.



## Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 2.3: Summary of significant accounting policies (Cont'd.)**Defined benefit plan

The gratuity benefits are classified as post-retirement benefits as per Ind AS 19. The service cost and the net interest cost would be charged to the statement of profit and loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Group recognises these re-measurements in other comprehensive income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the statement of profit and loss when the plan amendment or when a curtailment or settlement occurs.

For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by the actuary.

Other long term employee benefit

The Group has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method.

The Group presents the leave as the current liability in the consolidated balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in consolidated balance sheet.

**M) Taxation**Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

When the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 2.3: Summary of significant accounting policies (Cont'd.)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT')

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**N) Foreign currencies**

The Group's standalone financial statements are presented in Indian rupees (INR), which is also the Group's functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognised as income or expense in the year in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**O) Fair value measurement**

A number of Group's accounting policies and disclosures requires the measurement of fair values for both financial and non-financial assets and liabilities.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 2.3: Summary of significant accounting policies (Cont'd.)**

**P) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**I) Financial assets**

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. Fair value through statement of profit and loss ('FVTPL')), or recognised in OCI (i.e. Fair value through OCI ('FVTOCI')).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through the statement of profit and loss under the fair value option.

- Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: 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.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. Removed from the Group's balance sheet) when the right to receive cash flows from the asset is transferred or expired.

Impairment of financial assets

The Group assesses impairment based on expected credit losses ('ECL') model to the financial assets measured at amortised cost.

ECL are measured through a loss allowance at an amount equal to the 12 months ECL (ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date)

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**II) Financial liabilities**

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings.





Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 2.3: Summary of significant accounting policies (Cont'd.)**

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using EIR method.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Q) Cash and cash equivalents**

Cash and cash equivalents consist of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**R) Borrowing cost**

Borrowing cost includes interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they incurred.

**S) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**T) Contingent liability and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.





Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**U) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.



Avadh Snacks Private Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019  
(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

	Leasehold improvement INR lakhs	Freehold land INR lakhs	Factory building INR lakhs	Plant and equipment INR lakhs	Furniture and fixtures INR lakhs	Office equipments INR lakhs	Computers INR lakhs	Vehicles INR lakhs	Capital work-in-progress INR lakhs	Total INR lakhs
I Gross carrying amount										
At 1 Oct 2017	-	4.04	16.79	400.79	-	5.70	-	-	-	427.32
Additions	-	31.08	90.23	585.24	0.22	4.81	2.02	353.48	-	1,067.08
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/capitalised	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	35.12	107.02	986.03	0.22	10.51	2.02	353.48	-	1,494.40
Additions	-	-	-	238.39	3.93	1.12	0.90	202.98	260.96	708.28
Disposals	-	-	-	15.00	-	-	-	8.90	-	23.90
Transfer/capitalised	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	35.12	107.02	1,209.42	4.15	11.63	2.92	547.56	260.96	2,178.78
II Accumulated depreciation and impairment losses										
At 1 October 2017	-	-	1.32	57.42	-	1.10	-	-	-	59.84
Depreciation charge for the year	-	-	5.12	114.90	0.05	1.83	0.70	47.42	-	170.02
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	-	6.44	172.32	0.05	2.93	0.70	47.42	-	229.86
Depreciation charge for the year	-	-	3.09	115.62	0.09	2.39	0.58	66.41	-	188.18
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	9.53	287.94	0.14	5.32	1.28	113.83	-	418.04
III Net book value										
At 31 March 2019	-	35.12	97.49	921.48	4.01	6.31	1.64	433.73	260.96	1,760.74
At 31 March 2018	-	35.12	100.58	813.71	0.17	7.58	1.32	306.06	-	1,264.54
At 1 October 2017	-	4.04	15.47	343.37	-	4.60	-	-	-	367.48
IV Net book value										
At 31 March 2019	1,499.78	-	-	-	-	-	-	-	-	-
At 31 March 2018	1,499.78	-	-	-	-	-	-	-	-	-
At 1 October 2017	260.96	-	-	-	-	-	-	-	-	-
Property, plant and equipment										
Capital work-in-progress										



Avadh Snacks Private Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Intangible assets

	Computer software	Goodwill	Total
	INR lakhs	INR lakhs	INR lakhs
I Gross carrying amount			
At 1 October 2017	-	-	-
Additions	-	125.00	125.00
Disposals	-	-	-
At 31 March 2018	-	125.00	125.00
Additions	1.58	-	1.58
Disposals	-	-	-
At 31 March 2019	1.58	125.00	126.58
II Accumulated amortisation and impairment losses			
At 1 October 2017	-	-	-
Amortisation	-	-	-
At 31 March 2018	-	-	-
Amortisation	0.10	-	0.10
At 31 March 2019	0.10	-	0.10
III Net book value			
At 31 March 2019	1.48	125.00	126.48
At 31 March 2018	-	125.00	125.00
At 1 October 2017	-	-	-
IV Net book value			
	31 March 2019	31 March 2018	
	INR lakhs	INR lakhs	
Intangible assets	126.48	125.00	



Avadh Snacks Private Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019  
(All amounts in INR lakhs, unless otherwise stated)

**Note 5: Other non-current financial assets**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Measured at amortised cost		
Security deposits	10.02	27.12
	<b>10.02</b>	<b>27.12</b>

**Note 6: Non-current tax assets (net)**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Advance income-tax [Net of provision for taxation: INR Nil lakhs (31 March 2018: Nil lakhs)]	13.47	-
	<b>13.47</b>	<b>-</b>

**Note 7: Inventories**

(At cost or net realisable value, whichever is lower)

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Raw materials [including stock-in-transit: Nil [(31 March 2018: Nil), (1 April 2017: Nil)]]	101.63	280.61
Packing materials [including stock-in-transit: Nil [(31 March 2018: Nil), (1 April 2017: Nil)]]	624.33	126.10
Finished goods [including stock-in-transit: INR 19.04 lakhs [(31 March 2018: INR 17.76 lakhs), (1 April 2017: Nil)]]	78.94	121.56
Traded goods [including stock-in-transit: Nil [(31 March 2018: Nil), (1 April 2017: Nil)]]	16.87	6.78
Stores, spares and other consumables [including stock-in-transit: Nil [(31 March 2018: Nil), (1 April 2017: Nil)]]	5.95	-
	<b>827.72</b>	<b>535.05</b>

**Notes:**

- The Company follows a suitable provisioning norms for writing down the value of inventories towards slow moving and non-moving. Provision for the year - INR 00 (31 March 2018: Nil).

**Note 8: Trade receivables**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Receivables considered good - Unsecured	151.42	149.01
Receivables - Credit impaired	9.65	-
Less: Allowance for credit losses (refer Note 34)	(9.65)	-
	<b>151.42</b>	<b>149.01</b>
Of the above, trade receivables from		
- Related parties	31.52	-
- Others	119.90	149.01
	<b>151.42</b>	<b>149.01</b>

**Notes:**

- No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person.
- For terms and conditions relating to related party receivables, refer Note 30.
- Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.



Avadh Snacks Private Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 9: Cash and cash equivalents**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Balances with banks:		
In current accounts	870.12	91.52
Cash on hand	1.95	4.01
	<b>872.07</b>	<b>95.53</b>

**Note 10: Bank balance other than cash and cash equivalents**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Deposits with remaining maturity for less than twelve months but more than three months	15.00	-
	<b>15.00</b>	<b>-</b>

**Note 11: Other current assets**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Advances to vendors:		
Unsecured considered good	161.40	14.22
Prepaid expenses	18.82	-
Balances with statutory / government authorities	0.20	5.52
	<b>180.42</b>	<b>19.74</b>



**Notes to the Consolidated financial statements for the year ended 31 March 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 12: Share capital****(a) Authorised share capital**

	Equity shares	
	No. in lakhs	INR lakhs
At 1 October 2017	100.00	1,000.00
At 31 March 2018	100.00	1,000.00
At 31 March 2019	100.00	1,000.00

**(b) Issued subscribed and fully paid-up equity capital**

	No. in lakhs	INR lakhs
At 1 October 2017 (Equity shares of INR 10 each issued)	5.00	50.00
Changes in equity share capital during 2017-18:		
Issued during the year - Fresh issue	1.50	15.00
At 31 March 2018 (Equity shares of INR 10 each issued)	6.50	65.00
Changes in equity share capital during 2018-19:		
Issued during the year - Fresh issue*	1.02	6.09
At 31 March 2019 (Equity shares of INR 10 each issued)	7.52	71.09

\*fresh issue of shares - The Company has issued 101563 equity shares of INR 10 each (Partly Paid up Rs 6 per share) to Prataap Snacks Limited.

**(c) Details of shareholders holding more than 5% shares in the Company**

	As at 31 March 2019		As at 31 March 2018		As at 1 October 2017	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
<b>Equity shares</b>						
Rajeshbhai Mansukhbhai Savani	0.52	6.90%	3.02	46.44%	2.50	50.00%
Neel Rasikbhai Jagani	0.19	2.55%	0.94	14.49%	0.75	15.00%
Dilipbhai Vithalbhai Lalani	0.15	1.95%	0.90	13.79%	0.75	15.00%
Sanju Rajeshbhai Savani	0.38	5.10%	0.41	6.30%	0.25	5.00%
Bhavnaben Rajubhai Savani	-	0.00%	0.38	5.86%	0.25	5.00%
Prataap Snacks Limited	6.01	80.00%	-	0.00%	-	0.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Note 13: Other equity**

	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs
Securities premium account	2,633.91	1,140.00	-
Retained earnings	519.70	115.18	47.62
	<b>3,153.61</b>	<b>1,255.18</b>	<b>47.62</b>

**Securities premium**

	INR lakhs
At 1 October 2017	-
Add: Premium on issue of equity shares	1,140.00
At 31 March 2018	1,140.00
Add: Premium on issue of equity shares	1,493.91
At 31 March 2019	2,633.91

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Act.

**Retained earnings**

	INR lakhs
At 1 October 2017	47.62
Add: Profit during the year	67.56
At 31 March 2018	115.18
Add: Profit during the year	401.45
Add: Other comprehensive income	3.07
At 31 March 2019	519.70





Avadh Snacks Private Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 14: Borrowings

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Current		
Secured		
Short term loan from a bank	29.06	578.10
	29.06	578.10
	29.06	578.10

Note 15: Provisions

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Non-current provisions		
Provision for employee benefits:		
Gratuity (refer Note 29)	11.13	-
	11.13	-
Current provisions		
Provision for employee benefits:		
Gratuity (refer Note 29)	-	-
	-	-



## Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

## Note 16: Deferred tax assets / liabilities

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
(a) Tax expense recognised in the statement of profit and loss		
Current income tax:		
Current income tax charge	118.15	126.78
Deferred tax	8.50	(10.27)
Income tax expense reported in the statement of profit and loss	126.65	116.51
(b) OCI Section - Income tax related to items recognised in OCI during in the year:		
Net gain/(loss) on remeasurements of defined benefit plans	1.19	-
Income tax expense charged to OCI	1.19	-
(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:		
Profit/(loss) before tax	528.10	184.07
Income tax expense calculated at 27.82% (31 March 2018: 27.55%)	146.92	50.72
Effect of:		
Effect of expenses that is non-deductible in determining taxable profit	0.15	-
Effect of change in tax rate	(1.42)	3.42
Effect of tax on other items	-	37.92
	145.65	92.06
Adjustments recognised in relation to earlier years	(18.99)	24.48
Income tax expense recognised in the statement of profit and loss	126.66	116.53

## (d) The movement in deferred tax assets and liabilities during the year ended 31 March 2019 and 31 March 2018:

	Balance sheet			Statement of profit and loss	
	31 March 2019	31 March 2018	1 October 2017	31 March 2019	31 March 2018
	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>Deferred tax assets</b>					
Expenditure debited to statement of profit and loss but allowed for tax purposes in the following years	(4.24)	-	-	(4.24)	-
Provision for doubtful receivables / loans that are deducted for tax purposes when written off	(2.68)	-	-	(2.68)	-
Provision for employee benefits	(3.10)	-	-	(3.10)	-
<b>Deferred tax liabilities</b>					
Accelerated depreciation for tax purposes	9.78	(9.93)	-	19.71	(9.93)
<b>Net deferred tax liabilities/ (assets) (net)</b>	<b>(0.24)</b>	<b>(9.93)</b>	<b>-</b>	<b>9.69</b>	<b>(9.93)</b>
<b>Deferred tax (income)/ expenses</b>				<b>9.69</b>	<b>(9.93)</b>

The tax rate used for above deferred tax reconciliation for 31 March 2019 and 31 March 2018 is 27.82% and 27.5525% respectively.

## Reflected in the balance sheet as follows:

	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs
Deferred tax assets	(10.02)	-	0.34
Deferred tax liabilities	9.78	(9.93)	-
<b>Deferred tax liabilities/ (assets) (net)</b>	<b>(0.24)</b>	<b>(9.93)</b>	<b>0.34</b>

## (e) Reconciliation of deferred tax assets/ liabilities (net):

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Opening balance as of 1 April	(9.93)	0.34
Tax (income)/expense during the year recognised in the statement of profit and loss	8.50	(10.27)
Tax (income)/expense during the year recognised in OCI	1.19	-
<b>Closing balance as at 31 March</b>	<b>(0.24)</b>	<b>(9.93)</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The impact of the change in tax rate has been recognised in tax expense in the statement of profit and loss, except to the extent that it relates to items previously recognised outside profit or loss.



**Avadh Snacks Private Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2019**

(All amounts in INR lakhs, unless otherwise stated)

**Note 17: Trade payables**

	<u>31 March 2019</u>	<u>31 March 2018</u>	<u>1 October 2017</u>
	INR lakhs	INR lakhs	INR lakhs
Dues to micro and small enterprises*	-	-	-
Trade payables	613.33	171.05	267.07
Trade payables to related parties	3.74	-	-
	<u>617.07</u>	<u>171.05</u>	<u>267.07</u>

\*Based on the information available with Company as at period end there are no dues outstanding to the suppliers who are registered as micro and small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006". This has been relied upon by the auditors.

Trade payables are non interest bearing and are normally settled in 0 to 45 days terms. There are no other amounts paid / payable towards interest / principal under the MSMED.

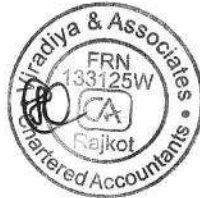
For explanations on the Company's credit risk management processes, refer Note 34.

**Note 18: Other current liabilities**

	<u>31 March 2019</u>	<u>31 March 2018</u>	<u>1 October 2017</u>
	INR lakhs	INR lakhs	INR lakhs
Statutory dues	75.69	151.39	9.48
	<u>75.69</u>	<u>151.39</u>	<u>9.48</u>

**Note 19: Non-current tax liabilities (net)**

	<u>31 March 2019</u>	<u>31 March 2018</u>	<u>1 October 2017</u>
	INR lakhs	INR lakhs	INR lakhs
Income tax provision [Net of advance tax: Nil (31 March 2018: Nil ), (1 Oct 2017: Nil)]	-	5.23	1.75
	<u>-</u>	<u>5.23</u>	<u>1.75</u>



Avadh Snacks Private Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 20: Revenue from operations**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
<b>Sale of products*</b>		
Finished goods	15,243.80	6,460.65
Traded goods	207.23	234.83
	<b>15,451.03</b>	<b>6,695.48</b>
<b>Other operating revenues</b>		
Government grant	21.80	-
	<b>21.80</b>	-
	<b>15,472.83</b>	<b>6,695.48</b>

\* The Government of India introduced Goods and Services Tax (GST) with effect from 1 July 2017 which subsumes excise duty and various other indirect taxes. As required under IND AS 115, revenue for the period from 1 July 2017 to 31 March 2018 is reported net of GST. Sales / Income from operations upto 30 June 2017 are reported inclusive of excise duty.

**Note 21: Other income**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
<b>Interest income on:</b>		
Others	5.91	-
	<b>5.91</b>	-

**Note 22: Cost of materials consumed**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Inventory at the beginning of the year	406.71	386.25
Add: Purchases	13,439.74	5,565.47
	<b>13,846.45</b>	<b>5,951.72</b>
Less: Sale of inventory	-	(2.20)
Less: Inventory at the end of the year	(725.96)	(406.71)
<b>Cost of materials consumed</b>	<b>13,120.49</b>	<b>5,542.81</b>

**Note 23: Changes in inventories of finished goods and stock-in-trade**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
<b>Opening stock:</b>		
Finished goods	121.56	17.67
Traded goods	6.78	2.10
	<b>128.34</b>	<b>19.77</b>
<b>Less: Closing stock:</b>		
Finished goods	78.94	121.56
Traded goods	16.87	6.78
	<b>95.81</b>	<b>128.34</b>
<b>(Increase) / Decrease in inventories</b>	<b>32.53</b>	<b>(108.57)</b>



**Avadh Snacks Private Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 24: Employee benefits expense**

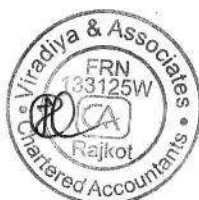
	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Salaries, wages and bonus	426.49	296.50
Contribution to provident and other funds	6.11	5.69
Gratuity expense (refer Note 29)	15.39	-
Staff welfare expenses	9.71	0.28
	<b>457.70</b>	<b>302.47</b>

**Note 25: Finance costs**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Interest:		
On loans	22.98	31.53
On others	0.55	0.38
Bank charges	0.16	0.23
	<b>23.69</b>	<b>32.14</b>

**Note 26: Depreciation and amortisation expense**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Depreciation of property, plant and equipment (refer Note 3)	188.18	170.02
Amortisation of intangible assets (refer Note 4)	0.10	-
	<b>188.28</b>	<b>170.02</b>



Avadh Snacks Private Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019  
(All amounts in INR lakhs, unless otherwise stated)

**Note 27: Other expense**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Security charges	2.10	-
Power and fuel	88.50	50.44
Freight and forwarding charges	672.79	253.16
Rates and taxes	0.12	59.70
Insurance charges	6.97	5.37
Repairs and maintenance:		
-Plant and machinery	68.09	32.33
-Others	6.01	1.14
Advertisement and sales promotion	4.01	3.31
Provision for doubtful receivables and advances	9.67	-
Travelling and conveyance	18.24	0.80
Printing and stationery	1.75	1.84
Legal and professional fees	25.36	21.15
Payment to auditor (refer Note A below)	3.43	0.75
Loss on sale of property, plant and equipment	(7.60)	-
Loss on discard of property, plant and equipment	8.52	-
Other expenses	8.68	4.92
	<b>916.64</b>	<b>434.91</b>

**A) Payment to auditor (inclusive of service tax in previous year):**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
As auditor:		
Audit fee	2.59	0.50
Tax audit fee	0.49	0.25
In other capacity:		
Other services (certification fees)	0.35	-
	<b>3.43</b>	<b>0.75</b>

**Note 28: Earnings per share ('EPS')**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Profit attributable to equity shareholders	<b>401.45</b>	<b>67.56</b>
Weighted average number of equity shares for basic EPS	7.52	6.50
Effect of dilution:		
Compulsorily convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	<b>7.52</b>	<b>6.49</b>
<b>Earnings per equity share (in INR)</b>		
Basic (Face value of INR 10 each)	<b>53.42</b>	<b>10.39</b>
Diluted (Face value of INR 10 each)	<b>53.42</b>	<b>10.41</b>

\* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.





**Avadh Snacks Private Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 29: Employee benefits**

**(a) Defined contribution plans**

**a. Provident fund**

Provident Fund is a defined contribution scheme established under a state plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

The Company has recognised following amounts as expense in the statement of profit and loss :

	For the year ended 31 March 2019 INR lakhs	For the year ended 31 March 2018 INR lakhs
Included in contribution to provident and other funds		
Provident fund	6.11	5.69

**(b) Defined benefit plans**

**Gratuity - Non-funded**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is non funded.

	31 March 2019 INR lakhs	31 March 2018 INR lakhs	1 October 2017 INR lakhs
Current			
Non-current	11.13	-	-
	11.13	-	-

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss the funded status and amounts recognised in the balance sheet for the respective plans:

	31 March 2019 INR lakhs	31 March 2018 INR lakhs
<b>I (a) Expense recognised in the statement of profit and loss for the year ended</b>		
Current service cost	10.91	-
Past service cost	-	-
Interest cost on benefit obligation	0.48	-
Components of defined benefit costs recognised in statement of profit and loss (refer Note 24)	11.39	-
<b>(b) Included in other comprehensive income</b>		
Actuarial gain / (loss) for the year on present defined benefit obligation	(4.26)	-
Actuarial (gain) / loss recognised in OCI	(4.26)	-
<b>II Change in present value of defined benefit obligation during the year</b>		
1. Present Value of defined benefit obligation at the beginning of the year	-	-
2. Interest cost	0.48	-
3. Current service cost	10.91	-
4. Past service cost	-	-
5. Benefits paid	-	-
6. Total actuarial (gain)/loss on obligation	(4.26)	-
7. Present value of defined benefit obligation at the end of the year	15.65	-

**Details of asset-liability matching strategy**

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy devised for the plan.



Avadh Snacks Private Limited

Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 29: Employee benefits(cont'd.)**

**A description of any funding arrangements and funding policy that affect future contributions:**

Currently there is no specific funding arrangement that affect the future contributions.

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

	31 March 2019	31 March 2018	1 October 2017
Discount rate (%)	7.60%	7.60%	7.10%
Future salary increases:	7.00%	7.00%	7.00%
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

A quantitative sensitivity analysis for significant assumption is as shown below:

	Discount rate		
	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 0.50% increase in rate	-0.57	0.00	0.00
Impact of 0.50% decrease in rate	0.61	0.00	0.00
	Future salary increases		
	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 0.50% increase in rate	0.55	0.00	0.00
Impact of 0.50% decrease in rate	-0.53	0.00	0.00
	Withdrawal rate		
	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 10% increase in rate	-0.44	0.00	0.00
Impact of 10% decrease in rate	0.44	0.00	0.00

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Sensitivity due to mortality are not material and hence impact of change not calculated.

The following payments are expected contributions to the defined benefit plan in future years:

	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs
Within the next 12 months (next annual reporting period)	0.00	0.00	0.00
Between 2 and 5 years	2.28	0.00	0.00
Beyond 5 years	7.20	0.00	0.00



**Avadh Snacks Private Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 30: Related party transactions**

**1]. Names of related parties and related party relationship**

**(a) Related parties with whom transactions have taken place during the year:**

<b>Holding Company:</b>	Prataap Snacks Limited (w.e.f. from 1 October 2018)
<b>Key management personnel</b>	Mr. Rajeshbhai Mansukhbhai Savani, Director Mr. Neel Rasikbhai Jagani, Director Mr. Dilipbhai Lalani Mr. Jash Dilipbhai Lalani Mr. Sanju Rajeshbhai Savani Mr. Kalpeshbhai Gami

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year are disclosed below:

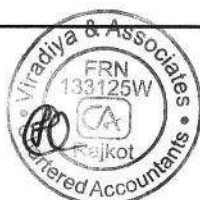
	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
<b>a. Sales of goods</b>		
<b>Holding Company:</b>		
Prataap Snacks Limited	31.39	-
	<b>31.39</b>	<b>-</b>
	<b>31 March 2019</b>	<b>31 March 2018</b>
	INR lakhs	INR lakhs
<b>b. Purchase of goods</b>		
<b>Holding Company:</b>		
Prataap Snacks Limited	158.17	-
	<b>158.17</b>	<b>-</b>
<b>c. Remuneration</b>		
<b>Key managerial personnel</b>		
Mr. Dilipbhai Lalani*	18.82	1.20
Mr. Neel Jagani*	16.32	1.20
Mr. Rajubhai Savani*	1.00	1.20
Mr. Sanjubhai Savani*	5.17	-
Mr. Kalpeshbhai Gami*	9.17	-
Mr. Jashbhai Lalani*	4.17	-
	<b>54.65</b>	<b>3.60</b>

\* Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs
<b>d. Closing balances</b>			
<b>Trade receivables</b>			
<b>Holding Company:</b>			
Prataap Snacks Limited	31.52	-	-
	<b>31.52</b>	<b>-</b>	<b>-</b>
<b>Trade payable</b>			
<b>Holding Company:</b>			
Prataap Snacks Limited	3.74	-	-
	<b>3.74</b>	<b>-</b>	<b>-</b>

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

The transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest bearing and settlement will occur in cash. There have been no guarantees provided or received for any related party receivables or payables other than disclosed in aforesaid table. For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year end through examining the financial position of the related party and the market in which the related party operates.



**Avadh Snacks Private Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2019**

(All amounts in INR lakhs, unless otherwise stated)

**Note 31: Segment information**

For management purpose, the Group comprise of only one reportable segment – Snacks food

The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

**A) Information about products and services**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Revenue from sale of goods to external customers		
Finished goods	15,243.80	6,460.65
Traded goods	207.23	234.83

**B) Information about geographical areas**

	Sale of goods	Non current operating assets
	INR lakhs	INR lakhs
<b>Year ended 31 March 2019</b>		
India	15,451.03	1,887.22
Outside India	-	-
<b>Total</b>	<b>15,451.03</b>	<b>1,887.22</b>
<b>Year ended 31 March 2018</b>		
India	6,695.48	1,389.54
Outside India	-	-
<b>Total</b>	<b>6,695.48</b>	<b>1,389.54</b>

**C) Notes**

1. Segment revenue in the geographical segments considered for disclosure are as follows:

a) Revenue within India includes sales to customers located within India.

2. The Group does not have any customer, with whom revenue from transactions is more than 10% of Group's total revenue.

3. Non current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment property, investment property under development, intangible assets and intangible assets under development



Notes to the Consolidated financial statements for the year ended 31 March 2019  
(All amounts in INR lakhs, unless otherwise stated)

**Note 32: Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 October 2017	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>Non-current financial assets</b>						
Other non-current financial assets:						
Security deposits	10.02	27.12	10.29	10.02	27.12	10.29
<b>Current financial assets</b>						
Trade receivables	151.42	149.01	35.09	151.42	149.01	35.09
<b>Total</b>	<b>161.44</b>	<b>176.14</b>	<b>45.37</b>	<b>161.44</b>	<b>176.14</b>	<b>45.37</b>

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 October 2017	31 March 2019	31 March 2018	1 October 2017
	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>Non-current financial liabilities</b>						
Borrowings			286.77			286.77
<b>Current financial liabilities</b>						
Borrowings	29.06	578.07	24.34	29.06	578.07	24.34
Trade payables	617.00	171.05	267.07	617.00	171.05	267.07
	<b>646.06</b>	<b>749.12</b>	<b>578.18</b>	<b>646.06</b>	<b>749.12</b>	<b>578.18</b>

The management assessed that fair value trade receivables, other current financial assets, current loans, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Security deposits, loans and advances and other financial assets are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability. Based on this evaluation, allowances are taken into account for the expected credit losses of these loans and other financial assets.

2. The fair value of bank borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

**Note 33: Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	INR lakhs	INR lakhs	INR lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 32</b>			
<b>Current financial assets</b>			
Trade receivables	-	151.42	-
<b>Current financial liabilities</b>			
Borrowings	-	29.06	-
Trade payables	-	617.00	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	INR lakhs	INR lakhs	INR lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 32</b>			
<b>Current financial assets</b>			
Trade receivables	-	149.01	-
<b>Current financial liabilities</b>			
Borrowings	-	578.07	-
Trade payables	-	171.05	-



**Notes to the Consolidated financial statements for the year ended 31 March 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 33: Fair value hierarchy (cont'd.)**

Quantitative disclosures fair value measurement hierarchy for assets as at 1 Oct 2017:

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	INR lakhs	INR lakhs	INR lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 32</b>			
<b>Current financial assets</b>			
Trade receivables	-	35.09	-
<b>Current financial liabilities</b>			
Borrowings	-	24.34	-
Trade payables	-	267.07	-

**Note 34: Financial risk management objectives and policies**

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include advances and deposits, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risks, credit risks and liquidity risks. The Group's senior management oversees the management of these risks. The Group's senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

**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 risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Group is not significantly exposed to other price risk whereas the exposure to currency risk and interest risk is given below.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings. However the Group has only current borrowings, hence it is not significantly exposed to interest rate risk.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's current borrowings, receivables and payables due to transactions entered in foreign currencies.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks.

**Trade receivables**

Customer credit is managed by the Group's through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	INR lakhs	
	Upto 180 Days	More Than 180 Days
<b>As on 31 March 2019</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	151.42	9.65
Loss allowance provision	-	9.65
<b>As on 31 March 2018</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	149.01	-
Loss allowance provision	-	-
<b>As on 1 October 2017</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	35.09	-
Loss allowance provision	-	-

Impairment loss is recognised in the year based on lifetime credit losses.

**Reconciliation of loss allowance provision for trade receivables**

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Balance as at beginning of the year	-	-
On receivables originated in the year	9.65	-
Amounts recovered during the year	-	-
Balance at end of the year	9.65	-





**Notes to the Consolidated financial statements for the year ended 31 March 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 34: Financial risk management objectives and policies (cont'd.)****LIQUIDITY RISK****(i) Liquidity risk management**

The Group's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Group closely monitors its liquidity position and maintains adequate source of funding.

**(ii) Maturities of financial liabilities**

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>As at 31 March 2019</b>				
<b>Current liabilities:</b>				
(i) Borrowings	29.06	-	-	29.06
(ii) Trade payables	617.00	-	-	617.00
	<b>646.06</b>	<b>-</b>	<b>-</b>	<b>646.06</b>
<b>As at 31 March 2018</b>				
<b>Current liabilities:</b>				
(i) Borrowings	578.07	-	-	578.07
(ii) Trade payables	171.05	-	-	171.05
	<b>749.12</b>	<b>-</b>	<b>-</b>	<b>749.12</b>
<b>As at 1 October 2017</b>				
<b>Non-current liabilities:</b>				
(i) Borrowings	286.77	-	-	286.77
<b>Current liabilities:</b>				
(i) Borrowings	24.34	-	-	24.34
(ii) Trade payables	267.07	-	-	267.07
	<b>578.18</b>	<b>-</b>	<b>-</b>	<b>578.18</b>

**(iii) Maturities of financial assets**

The following table details the Group's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	INR lakhs	INR lakhs	INR lakhs	INR lakhs
<b>As at 31 March 2019</b>				
<b>Current assets:</b>				
(i) Trade receivables	151.42	-	-	151.42
(ii) Bank balance other than cash and cash equivalents	15.00	-	-	15.00
	<b>166.42</b>	<b>-</b>	<b>-</b>	<b>166.42</b>
<b>Year ended 31 March 2018</b>				
<b>Current asset:</b>				
(i) Trade receivables	149.01	-	-	149.01
(ii) Other current financial assets	19.74	-	-	19.74
	<b>168.75</b>	<b>-</b>	<b>-</b>	<b>168.75</b>
<b>As at 1 October 2017</b>				
<b>Current asset:</b>				
(i) Trade receivables	35.09	-	-	35.09
(ii) Other current financial assets	64.34	-	-	64.34
	<b>99.43</b>	<b>-</b>	<b>-</b>	<b>99.43</b>

**Note 35: Capital management**

For the purpose of the Group's capital management, equity includes issued equity capital, compulsory convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value. The Group's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Group is monitoring capital using debt equity ratio as its base, which is debt to equity. The Group's policy is to keep healthy debt equity ratio ensuring minimum debt. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	31 March 2019	31 March 2018
	INR lakhs	INR lakhs
Debt (A)	29.06	578.10
Equity (B)	3,224.70	1,320.18
Debt / Equity ratio (A / B)	0.01	0.44



## Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Note 37: Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**Ind AS 116 - Leases**

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

**Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an Entity considers uncertain tax treatments separately
- The assumptions an Entity makes about the examination of tax treatments by taxation authorities
- How an Entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an Entity considers changes in facts and circumstances

An Group has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an Group might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the Group expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Since the Group does not operate in a complex tax environment, applying the Interpretation may not have any significant effect on its Consolidated financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

**Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the Consolidated financial statements of the Group.

**Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will have no impact on the Consolidated financial statements of the Group.



Notes to the Consolidated financial statements for the year ended 31 March 2019

(All amounts in INR lakhs, unless otherwise stated)

**Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests).

This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019.

Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

**Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation**

The amendments clarify that, when a party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Group.

**Amendments to Ind AS 111: Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Group.

**Amendments to Ind AS 12: Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its Consolidated financial statements.

**Ind AS 23 - Borrowing costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its Consolidated financial statements.

As per our report of even date

**For Viradiya & Associates**

ICAI Firm registration number: 133125W  
Chartered Accountants

per Harsh Viradiya  
Partner

Membership no.: 131136

Place: Rajkot

Date: 20 May 2019



**For and on behalf of the Board of Directors of  
Avadh Snacks Private Limited**

Rajeshbhai Mansukhbhai Savani  
Director

DIN - 07357631

Place: Rajkot

Date: 20 May 2019

Neel Rasikbhai Jagani  
Director

DIN - 07357621

