INDEPENDENT AUDITORS' REPORT

To the Members of Sundrop Foods India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sundrop Foods India Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

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

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

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant Rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Report on Other Legal and Regulatory Requirements (continued)

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

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

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

iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) The Company has not paid/ provided any managerial remuneration to any directors during the financial year ended 31 March 2019. Accordingly, the matter to be included in the Auditors' Report under section 197(16) is not applicable to the Company:

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Hyderabad
Date: 23 April 2019

Sundrop Foods India Private Limited
Annexure A to the Independent Auditor's Report

The Annexure A referred to in the Independent Auditor's Report of even date, on the Financial Statements to the Members of Sundrop Foods India Private Limited ('the Company') for the year ended 31 March 2019. We report that:

(i) The Company does not hold any fixed asset. Accordingly, paragraph 3(i) of the Order is not applicable to the Company.

(ii) The Company is a service company, primarily rendering manpower services. Accordingly, it does not hold any physical inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, Service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales-tax, Duty of customs, Duty of excise and Value added tax. Refer note 27 to the financial statements relating to provident fund contribution.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Goods and Service tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of Sales tax, Duty of customs, Duty of excise and Value added tax.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government nor has it issued any debentures during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and terms loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) The Company has not paid/ provided any managerial remuneration to any directors during the current year. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in Note 23 to the Financial Statements as required by the applicable accounting standards. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, paragraph 3(xiii) of the Order is not applicable to the Company.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Hyderabad
Date: 23 April 2019

Annexure B to the Independent Auditors' report on the financial statements of Sundrop Foods India Private Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Sundrop Foods India Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm’s Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Hyderabad
Date: 23 April 2019

Sundrop Foods India Private Limited
Balance sheet as at 31 March 2019
(All amounts in ₹ except for share data or otherwise stated)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Other non-current assets	4	4,204,743	1,299,380
Deferred tax assets (net)	5	5,311,508	876,708
Total non-current assets		**9,516,251**	**2,176,088**
Current assets			
Financial assets			
(i) Trade receivables	6	56,538,835	47,377,345
(ii) Cash and cash equivalents	7	2,105,845	3,404,746
Other current assets	8	821,548	465,694
Total current assets		**59,466,228**	**51,247,785**
Total assets		**68,982,479**	**53,423,873**
Equity and liabilities			
Equity			
Equity share capital	9	20,000,000	20,000,000
Other equity	10	36,067,039	20,221,152
Total equity		**56,067,039**	**40,221,152**
Liabilities			
Non-current liabilities			
Provisions	11	3,713,986	3,736,601
Total non-current liabilities		**3,713,986**	**3,736,601**
Current liabilities			
Financial liabilities			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	12	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	12	1,788,463	1,786,201
(ii) Other financial liabilities	13	4,306,360	3,704,495
Other current liabilities	14	2,587,624	3,354,678
Provisions	15	519,007	620,746
Total current liabilities		**9,201,454**	**9,466,120**
Total liabilities		**12,915,440**	**13,202,721**
Total equity and liabilities		**68,982,479**	**53,423,873**

Significant accounting policies — 3
See accompanying notes to the financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for **Sundrop Foods India Private Limited**
CIN: U01119TG1990PTC011259

Vikash Somani
Partner
Membership No.061272

Dharmesh Kumar Srivastava
Director
DIN: 06875689

N Narasimha rao
Director
DIN:02561439

Place: Hyderabad
Date: 23 April 2019

Place: Gurugram
Date: 23 April 2019

Sundrop Foods India Private Limited
Statement of profit and loss for the year ended 31 March 2019
(All amounts in ₹ except for share data or otherwise stated)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Sale of services	16	143,803,007	126,624,961
Total income		**143,803,007**	**126,624,961**
Expenses			
Employee benefit expenses	17	97,525,921	86,576,560
Other expenses	18	34,642,649	29,173,914
Total expenses		**132,168,570**	**115,750,474**
Profit before tax		**11,634,437**	**10,874,487**
Tax expense	19	(3,444,347)	3,061,049
Profit for the year (A)		**15,078,784**	**7,813,438**
Other comprehensive income			
Items that will not to be reclassified subsequently to the statement of profit or loss			
Gain/(loss) of remeasurement of the net defined benefit obligation		1,036,626	(221,885)
Income tax relating to those items	19	(269,523)	61,135
Other comprehensive income for the year (B)		**767,103**	**(160,750)**
Total comprehensive income for the year (A+B)		**15,845,887**	**7,652,688**
Earnings per share (EPS) - nominal value of ₹ 10 each			
Basic and Diluted EPS ₹ 10 per share face value	20	7.54	3.91

Significant accounting policies 3
See accompanying notes to the financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Vikash Somani
Partner
Membership No.061272

Place: Hyderabad
Date: 23 April 2019

for **Sundrop Foods India Private Limited**
CIN: U01119TG1990PTC011259

Dharmesh Kumar Srivastava
Director
DIN: 06875689

N Narasimha rao
Director
DIN:02561439

Place: Gurugram
Date: 23 April 2019

Sundrop Foods India Private Limited
Statement of cash flows for the year ended 31 March 2019
(All amounts in ₹ except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities		
Net profit before tax	11,634,437	10,874,487
Adjustments	-	-
Operating cash flows before working capital changes	11,634,437	10,874,487
Adjustments for:		
Increase in trade receivables	(9,161,490)	(11,128,237)
(Increase)/ decrease in other current assets	(395,335)	192,075
Increase in trade payables	2,262	714,041
Increase in other financial liabilities	601,865	86,061
(Decrease)/ increase in other liabilities	(727,573)	2,244,483
(Decrease)/ increase in provisions	912,272	1,462,668
Net cash from operating activities	**2,866,438**	**4,445,578**
Income taxes paid, net	(4,165,339)	(3,744,803)
Net cash flow (used in)/ generated from operating activities	**(1,298,901)**	**700,775**
B. Cash flows from investing activities	-	-
C. Cash flows from financing activities	-	-
Net (decrease)/ increase in cash and cash equivalents	(1,298,901)	700,775
Cash and cash equivalents at the beginning of the financial year	3,404,746	2,703,971
Cash and cash equivalents at end of the year	**2,105,845**	**3,404,746**

Cash and cash equivalents as per above comprise of the following:

As at	31 March 2019	31 March 2018
Balances with scheduled banks		
- Current accounts	2,105,845	3,404,746
Balances per statement of cash flows	**2,105,845**	**3,404,746**

See accompanying notes to the financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for **Sundrop Foods India Private Limited**
CIN: U01119TG1990PTC011259

Vikash Somani
Partner
Membership No.061272

Dharmesh Kumar Srivastava
Director
DIN: 06875689

N Narasimha rao
Director
DIN:02561439

Place: Hyderabad
Date: 23 April 2019

Place: Gurugram
Date: 23 April 2019

Sundrop Foods India Private Limited
Statement of changes in equity for the year ended 31 March 2019
(All amounts in ₹ except for share data or otherwise stated)

Particulars	Equity share capital	Retained earnings	Total equity attributable to the equity holders
Balance as at 1 April 2017	20,000,000	12,568,464	**32,568,464**
Changes in equity for the year ended 31 March 2018			
Profit for the year		7,813,438	**7,813,438**
Remeasurement of the net defined benefit obligation, net of tax effect		(160,750)	**(160,750)**
Balance as at 31 March 2018	**20,000,000**	**20,221,152**	**40,221,152**

Particulars	Equity share capital	Retained earnings	Total equity attributable to the equity holders
Balance as at 1 April 2018	**20,000,000**	**20,221,152**	**40,221,152**
Changes in equity for the year ended 31 March 2019			
Profit for the year		15,078,784	**15,078,784**
Remeasurement of the net defined benefit obligation, net of tax effect		767,103	**767,103**
Balance as at 31 March 2019	**20,000,000**	**36,067,039**	**56,067,039**

See accompanying notes to the financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for **Sundrop Foods India Private Limited**
CIN: U01119TG1990PTC011259

Vikash Somani
Partner
Membership No.061272

Place: Hyderabad
Date: 23 April 2019

Dharmesh Kumar Srivastava
Director
DIN: 06875689

N Narasimha rao
Director
DIN:02561439

Place: Gurugram
Date: 23 April 2019

1 Reporting entity

Sundrop Foods India Private Limited is a Company domiciled in India, with its registered office situated at 31, Sarojini Devi Road, Secunderabad, Telangana - 500 003, India. The Company has been incorporated under the provisions of Indian Companies Act, 1956.

2 Basis of preparation

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cashflows of the Company is provided in Note 27.

The financial statements were authorised for issue by the Company's Board of Directors on 24 April 2018.

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

B. Functional and presentation currency

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

C. Basis of measurement

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

Items	Measurement basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

- Note 24 - measurement of defined benefit obligations: key actuarial assumptions;

E. Measurement of fair values

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

The Company has an established internal control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements on IndAs, including the level in the fair value hierarchy in which these valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3 Significant Accounting Policies

(a) Financial instruments

When measuring the fair value of an asset or a liability, Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(i) Financial assets

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

(ii) Non -financial assets

Goodwill and intangible assets that have an indefinete useful life are not subject to amortisation and are tested annualy for impairment, or more frequently events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(b) Current and non-current classification

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

An asset as current when it is:

• Expected to be realized or intended to sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realized 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 company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be premeasured or reassessed as per the Company’s accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee, in conjunction with the Company’s external values, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Company’s external values present the valuation results to the Audit Committee and the Company’s independent auditors. This includes a discussion of the major assumptions used in the valuations.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Significant Accounting Policies (Continued)

(c) Revenue recognition

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the condensed interim statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact to the financial statements of the Company.

Revenue from contracts represents amount received and receivable from customers for services rendered. Revenue is recognised as and when services are rendered to customers at an amount that reflects the consideration which the Company expects to receive in exchange for those services. Taxes collected on behalf of the government are excluded from revenue.

The Company is engaged in the business of providing the distribution services to its holding company "Agro Tech Foods Limited" with operations in India. Accordingly, the Company does not disaggregates revenue from contracts with customers into any further category.

Recognition of dividend income, interest income or expense:
Dividend income is recognised in the statement of profit and loss on the date on which the Company's right to receive payment is established.
Interest income or expense is recognised using effective interest method.
The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
a. the gross carrying amount of financial asset; or
b. the amortised cost of financial liability
In calculating the interest income and expenses, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However for the financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of financial asset. If the asset is no longer credit impaired, then calculation of interest income reverts to gross basis.

(d) Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

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

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to 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 to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset curent tax liabilities and assets, and the relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simeltaneously.

(e) Provisions and contingent liabilities

i. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous Contracts

Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be reconised to settle a present obligation as a result of an obligating event based on the reliable estimate of such an obligation.

(f) Employee benefits

i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

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

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

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumualting compensated absences is recognised in the period in which the absences occur.

iv. Voluntary retirement scheme benefits

Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

Significant Accounting Policies (Continued)

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposit with bank, other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities as on Balance Sheet date.

(h) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(i) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income and expenses associated with investing and financing activities. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(j) Recent accounting pronouncements

Ind AS issued but not yet effective:
On 30 March 2019, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for periods beginning on or after 1 April 2019:

(1) Ind AS 116 - Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. The Company does not expect any significant impact from this pronouncement.

(2) Ind AS 12 Income-taxes (amendments relating to income tax consequences of dividend and uncertainty over income-tax treatments)

The amendment relating to income-tax consequences of dividend clarify that an entity shall recognise 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.

(3) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any significant impact on its financial statements.

(4) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(5) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect this amendment to have any significant impact on its financial statements.

(6) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

(7) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not currently have any long-term interests in joint ventures.

Sundrop Foods India Private Limited
Notes to financial statements (continued)
(All amounts in ₹ except for share data or otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Note 4 Other non-current assets		
Advance income-tax, net (refer note 19)	4,204,743	1,299,380
	4,204,743	**1,299,380**
Note 5 Deferred tax assets (net)		
MAT credit entitlement (refer note 19)	2,307,851	-
Deferred tax assets (net) (refer note 19)	3,003,657	876,708
	5,311,508	**876,708**
Note 6 Trade receivables		
Unsecured, considered good*	56,538,835	47,377,345
	56,538,835	**47,377,345**

Information about the Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in Note 26

* Amount represents due from holding company. Refer note 23

Particulars	As at 31 March 2019	As at 31 March 2018
Note 7 Cash and cash equivalents		
Cash and cash equivalents:		
Balance with banks		
- Current accounts	2,105,845	3,404,746
	2,105,845	**3,404,746**
Note 8 Other current assets		
Other advances	821,548	465,694
	821,548	**465,694**

Particulars	As at 31 March 2019	As at 31 March 2018
Note 9 Share capital		
Authorised		
Equity shares		
2,000,000 (31 March 2018: 2,000,000) ₹10 each	20,000,000	20,000,000
Issued		
Equity Shares		
2,000,000 (31 March 2018: 2,000,000) ₹10 each	20,000,000	20,000,000
Subscribed and fully paid-up		
2,000,000 (31 March 2018: 2,000,000) ₹10 each fully paid up	20,000,000	20,000,000
	20,000,000	**20,000,000**

a. Rights, preferences and restrictions attached to the equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to their share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

b. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	2,000,000	20,000,000	2,000,000	20,000,000
Issued during the year	-	-	-	-
Closing balance at the end of the reporting year	**2,000,000**	**20,000,000**	**2,000,000**	**20,000,000**

c. Particulars of shareholders holding more than 5% equity shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Holding company				
Agro Tech Foods Limited (along with its nominees)	2,000,000	100%	2,000,000	100%

d. Particulars of share held by holding company, associates of holding company

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Agro Tech Foods Limited (along with its nominees)	2,000,000	100%	2,000,000	100%

e. Agro Tech Foods Limited is the holding company and Conagra Brands Inc (formerly known as ConAgra Foods Inc.) is the ultimate holding company.

f. During the five previous financial years ended 31 March 2019, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

Note 10 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
Surplus in the statement of profit and loss		
Opening balance	20,221,152	12,568,464
Profit for the year	15,078,784	7,813,438
Remeasurement of the net defined benefit obligation, net of tax effect	767,103	(160,750)
Closing balance	**36,067,039**	**20,221,152**

Particulars	As at 31 March 2019	As at 31 March 2018
Note 11 Non-current provisions		
Provision for employee benefits		
Gratuity (Refer note 24)	718,577	1,175,452
Compensated absences	2,995,409	2,561,149
	3,713,986	**3,736,601**
Note 12 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,788,463	1,786,201
	1,788,463	**1,786,201**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the standalone financial statements based on information received and available with the Company and has been relied upon by the auditors. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 26.

Particulars	As at 31 March 2019	As at 31 March 2018
Note 13 Other financial liabilities		
Payroll related liabilities	4,306,360	3,704,495
	4,306,360	**3,704,495**
Note 14 Other Current Liabilities		
Statutory liabilities (including provident fund, tax deducted at source and others)	2,587,624	3,354,678
	2,587,624	**3,354,678**
Note 15 Provisions		
Provision for employee benefits:		
Compensated absences	519,007	620,746
	519,007	**620,746**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 16 Sale of services		
Revenue from distribution services	143,803,007	126,624,961
	143,803,007	**126,624,961**
Note 17 Employee benefit expenses		
Salaries, wages and bonus	83,785,894	75,427,817
Contribution to provident and other funds (Refer note 24)	13,740,027	11,147,305
Staff welfare expenses	-	1,438
	97,525,921	**86,576,560**
Note 18 Other expenses		
Rates and taxes	51,977	10,524
Insurance	150,553	84,640
Communication expenses	3,004,949	2,705,500
Travelling	28,777,222	23,517,580
Auditors' remuneration (Refer note 22)	356,672	320,895
Printing and stationery	21,575	23,638
Professional charges	2,242,002	2,051,036
Bank charges	826	649
Miscellaneous expenses	36,873	459,452
	34,642,649	**29,173,914**

Note 19 Income-tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Amounts recognised in the statement of profit and loss		
Tax expense for the year		
Current tax	2,447,171	3,336,192
Current tax for earlier year	(1,456,718)	-
	990,453	**3,336,192**
Deferred tax credit	(2,500,233)	(275,143)
Deferred tax credit for earlier year	(1,934,566)	-
Tax expense for the year	**(3,444,347)**	**3,061,049**
(b) Amounts recognised in other comprehensive income		
Current tax	269,523	(61,135)
	269,523	**(61,135)**

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	**11,634,437**	**10,874,487**
Tax using the Company's domestic tax rate @ 26% (2018 @ 27.55%)	3,024,954	2,996,193
Tax effect of:		
Deferred tax credit for deduction of Section 80JJAA of the Income-tax Act,1961	(961,711)	-
MAT credit entitlement	(1,329,417)	-
MAT credit entitlement for earlier year	(978,434)	-
Income-tax in respect of earlier years	(1,456,718)	-
Deferred tax credit for earlier year	(1,934,566)	-
Others	191,546	64,856
	(3,444,347)	**3,061,049**

(d) Movement in temporary differences

	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2018
On expenditure allowed on payment basis	601,565	275,143	-	876,708
	601,565	**275,143**	**-**	**876,708**

	As at 1 April 2018	Recognised in statement of profit and loss	Recognised in OCI	As at 31 March 2019
MAT credit entitlement	-	2,307,851		2,307,851
On expenditure allowed on payment basis	876,708	2,126,949	-	3,003,657
	876,708	**4,434,800**	**-**	**5,311,508**

(e) The following table provides the details of income-tax assets

Particulars	As at 31 March 2019	As at 31 March 2018
Income-tax assets (net)	4,204,743	1,299,380
	4,204,743	**1,299,380**

Sundrop Foods India Private Limited
Notes to financial statements (continued)
(All amounts in ₹ except for share data or otherwise stated)

Note 20 Earnings per equity share

Particulars		**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
(a)	Net profit attributable to the equity shareholders	15,078,784	7,813,438
(b)	Weighted average number of equity shares of ₹10 outstanding during the year	2,000,000	2,000,000
(c)	Basic and diluted earnings per share	7.54	3.91

Note 21 Segmental information

The Company is engaged in the business of providing the distribution services to its holding company "Agro Tech Foods Limited" with operations in India. Accordingly, there are no reportable segment to be disclosed as required by the Indian Accounting Standard-108 "Segment Reporting" as the Company has only one geographical and business segment.

Details of major customers contributing more than 10 percent of the total revenue:

Particulars	**For the year ended 31 March 2019**		**For the year ended 31 March 2018**	
Customer name	**Amount**	**%**	**Amount**	**%**
Agro Tech Foods Limited	143,803,007	100%	126,624,961	100%

Note 22 Auditor's remuneration:

Professional and consultancy charges includes the remuneration paid (excluding applicable taxes) to Auditors as follows:

Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
As Auditor		
Statutory audit	199,650	181,500
Tax audit	133,100	121,000
Reimbursement of expenses	23,922	18,395
Total	**356,672**	**320,895**

Note 23 Related party transactions

a) Related parties where control exists

S.no	**Name of the Company**	**Relationship**
i	Agro Tech Foods Limited	Holding company
ii	Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company

b) Related party transactions during the year

Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Agro Tech Foods Limited		
Reimbursement of expenses	-	478
Revenue	143,803,007	126,624,961

c) Related party balances as at balance sheet date

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Receivable from related parties		
Agro Tech Foods Limited		
Trade receivables	56,538,835	47,377,345

Sundrop Foods India Private Limited
Notes to financial statements (continued)
(All amounts in ₹ except for share data or otherwise stated)

Note 24 Employee benefits

The employee benefit schemes are as under:

(a) Post retirement benefit - Defined benefit plans and defined contribution plans

i. Provident Fund

All employees of the Company receive benefits under the Provident Fund which is a defined contributions plan wherein the obligation of the Company is limited to the contribution equal to 12% of the employees' salary (refer note 27).

ii. Gratuity

In accordance with 'The Payment of Gratuity Act. 1972', the Company provides for Gratuity, a defined retirement benefit scheme (the Gratuity Plan). covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the Statement of profit and loss. The Gratuity Plan is a funded.

iii. Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year end The value of such leave balances that are eligible for carry forward. is determined by an actuarial valuation as at the end of the year and is charged to the Statement of profit and loss.

The following table sets out the particulars of employee benefits as required under the Ind AS

	Particulars	**31 March 2019**	**31 March 2018**
1.	Reconciliation of net defined benefit asset		
(a)	Reconciliation of present value of defined benefit obligation ('DBO')		
	Obligations as at beginning of the year	2,388,483	1,272,160
	Current service cost	1,667,715	902,897
	Interest cost	180,285	89,995
	Benefits paid	(126,665)	(127,262)
	Actuarial (gain) / loss due to financial assumptions	73,871	(134,767)
	Actuarial (gain) / loss due to experience on DBO	(1,059,187)	385,460
	Obligations as at closing of the year	**3,124,502**	**2,388,483**
(b)	Change in fair value of plan assets		
	Plan assets as at beginning of the year	1,213,031	546,178
	Expected return on plan assets	92,797	39,325
	Employer contributions	1,175,452	725,982
	Benefits settled	(126,665)	(127,262)
	Actuarial gain /(loss) on plan assets	51,310	28,808
	Plan assets as at closing of the year	**2,405,925**	**1,213,031**
2.	Expenses recognised in the statement of profit and loss under employee benefits expense:		
	Current service cost	1,667,715	902,897
	Interest cost	180,285	89,995
	Expected return on plan assets	(92,797)	(39,325)
	Net cost	**1,755,203**	**953,567**
3.	Remeasurements recognised in other comprehensive income		
	(Gain)/ loss from change in financial assumptions	73,871	(134,767)
	(Gain)/ loss due to Experience on DBO	(1,059,187)	385,460
	Return on plan assets, greater/ less than discount rate	(51,310)	(28,808)
		(1,036,626)	**221,885**

Note 24 Employee benefits (continued)

Particulars	**31 March 2019**	**31 March 2018**
4. **Actuarial assumptions:**		
Discount factor [Refer note (i) below]	7.45%	7.65%
Estimated rate of return on plan assets[Refer note (ii) below]	7.45%	8.00%
Salary escalation rate [Refer note (iii) below]	7.00%	7.00%

Notes:

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

5. **Sensitivity analysis**

The sensitivity analysis of significant actuarial assumptions as of end of reporting period is shown below.

Particulars	**31 March 2019**	**31 March 2018**
Gratuity		
A. Discount rate		
Discount rate -100 basis points	3,538,645	2,704,288
Discount rate -100 basis points impact (%)	13.25%	13.22%
Discount rate +100 basis points	2,780,853	2,126,076
Discount rate +100 basis points impact (%)	-11.00%	-10.99%
B. Salary increase rate		
Salary rate -100 basis points	2,776,613	2,122,376
Salary rate -100 basis points impact (%)	-11.44%	-11.14%
Salary rate +100 basis points	3,536,389	2,703,315
Salary rate +100 basis points impact (%)	13.18%	13.18%

Maturity profile of defined benefit obligation

As at	**31 March 2019**	**31 March 2018**
Within 1 Year	63,655	63,637
2 years	131,264	61,412
3 years	202,821	138,378
4 years	276,290	214,959
5 years	335,024	271,760
6 to 10 years	1,197,438	909,523

Note 25 Financial instruments - fair values and risk management

Accounting classification and fair values

Financial risk management

The Company has exposure to the following risks arising from financial instruments:
i. Credit Risk
ii. Liquidity Risk
iii. Market Risk

Risk Management framework:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Risk Management Committee. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below:

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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial instruments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company had revenue for the year ended 31 March 2019 and 31 March 2018 only from the Holding Company "Agro Tech Foods Limited" located in India.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Company's principal source of liquidity is cash and cash equivalents and the revenue generated from operations. The Company does not have any borrowings or loans and it believes that the working capital is sufficient to meet its current requirements.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019 and 31 March 2018

Particulars	**As at 31 March 2019**		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	1,788,463	-	-
Other financial liabilities	4,306,360	-	-
	6,094,823	**-**	**-**

Particulars	**As at 31 March 2018**		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	1,786,201	-	-
Other financial liabilities	3,704,495	-	-
	5,490,696	**-**	**-**

Note 25 Financial instruments - fair values and risk management (continued)

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company does not have any exposure to foreign exchange transaction, accordingly Company is not exposed to market risk.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings having floating rate of interest, accordingly Company is not exposed to interest rate risk.

Currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company's exposure to foreign currency arises in part when the Company holds financial assets and liabilities denominated in a currency different from the functional currency of the entity. As there are no payables and receivables in foreign currency and hence the Company is not exposed to currency risk.

Note 26 There are no litigations as on the balance sheet date.

Note 27 On 28th February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019 and has made a provision for it in the books of account. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

for **Sundrop Foods India Private Limited**
CIN: U01119TG1990PTC011259

Vikash Somani
Partner
Membership No.061272

Dharmesh Kumar Srivastava
Director
DIN: 06875689

N Narasimha rao
Director
DIN:02561439

Place: Hyderabad
Date: 23 April 2019

Place: Gurgaon
Date: 23 April 2019