

B S R & Associates LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
Banjara Hills
Hyderabad - 500 034. India.

Telephone +91 40 3046 5000
Fax +91 40 3046 5299

Independent Auditor's Report To The Members of Sundrop Foods India Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sundrop Foods India Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the 'financial statements').

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

B S R & Associates LLP

Sundrop Foods India Private Limited
Independent Auditor's Report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 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 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

6

B S R & Associates LLP

**Sundrop Foods India Private Limited
Independent Auditor's Report (continued)**

Report on Other Legal and Regulatory Requirements (continued)

- g) 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, 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 - Refer note 2.23 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 2.24 to the financial statements.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



Sriram Mahalingam

Partner

Membership No: 049642

Place: Hyderabad

Date: 01 May 2017

B S R & Associates LLP

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 2017. We report that:

- (i) The Company has not 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, Service tax, Cess and other material statutory dues have 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2017 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, Sales tax, Service tax, Duty of customs, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute.

6

B S R & Associates LLP

Sundrop Foods India Private Limited

Annexure- A to the Independent Auditor's Report (continued)

- (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 provision of Section 197 read with schedule V to the Act is applicable only to public company. Thus, 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 2.17 to the financial statements as required under Accounting Standard (AS) 18, Related party disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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.

62

B S R & Associates LLP

Sundrop Foods India Private Limited

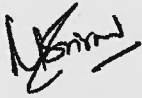
Annexure- A to the Independent Auditor's Report (continued)

(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



Sriram Mahalingam

Partner

Membership No: 049642

Place: Hyderabad

Date: 01 May 2017

B S R & Associates LLP

**Sundrop Foods India Private Limited
Annexure-B to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of Sundrop Foods India Private Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



B S R & Associates LLP

Sundrop Foods India Private Limited
Annexure-B to the Independent Auditor's Report (continued)

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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.

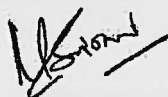
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting 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 ICAI.

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



Sriram Mahalingam
Partner
Membership No: 049642

Place: Hyderabad
Date: 01 May 2017

Sundrop Foods India Private Limited
Balance Sheet as at 31 March 2017

(Amount in Indian rupees)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	2.1	20,000,000	20,000,000
Reserves and surplus	2.2	12,568,464	7,393,027
Non-current liabilities			
Long-term provisions	2.3	2,081,859	965,521
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises and small enterprises	2.4	-	-
Other current liabilities	2.5	1,072,160	1,193,561
Short-term provisions	2.6	4,728,629	5,208,777
		590,935	143,898
		41,042,047	34,904,784
<u>ASSETS</u>			
Non-current assets			
Long-term loans and advances	2.7	829,634	871,821
Deferred tax asset	2.19	601,565	288,287
Current assets			
Trade receivables	2.8	36,249,108	31,753,852
Cash and cash equivalents	2.9	2,703,971	1,416,283
Short-term loans and advances	2.10	657,769	574,541
		41,042,047	34,904,784

Significant accounting policies

1

Notes to accounts

2

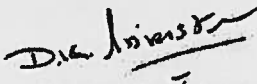
The notes referred to above form an integral part of the balance sheet.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231 W/W-100024

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


Srirama Mahalingam
Partner
Membership No.049642


Dharmesh Kumar Srivastava
Director
DIN: 06875689


N Narasimha rao
Director
DIN:02561439

Place: Hyderabad
Date: 01 May 2017

Place: Gurgaon
Date: 01 May 2017



Sundrop Foods India Private Limited
Statement of Profit and Loss for the year ended 31 March 2017

(Amount in Indian rupees)

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Sale of services	2.11	97,068,000	81,067,199
Other income	2.12		59,730
		97,068,000	81,126,929
Expenses			
Employee benefits expense	2.13	63,776,120	52,163,023
Other expenses	2.14	25,641,447	22,443,207
		89,417,567	74,606,230
Profit before tax		7,650,433	6,520,699
Tax expense	2.15	2,474,996	1,945,984
Profit after tax		5,175,437	4,574,715
Earnings per share			
Basic and diluted par value ₹10 per share	2.16	2.59	2.29

Significant accounting policies

1

Notes to accounts

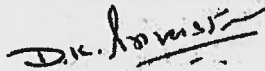
2


The notes referred to above form an integral part of statement of profit and loss.

As per our report of even date attached
for BSR & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

for Sundrop Foods India Private Limited
CIN: U01119TG1990PTC011259


Sriram Mahalingam
Partner
Membership No.049642


Dharmesh Kumar Srivastava
Director
DIN: 06875689


N Narasimha rao
Director
DIN:02561439

Place: Hyderabad
Date: 01 May 2017

Place: Gurgaon
Date: 01 May 2017



Sundrop Foods India Private Limited
Cash Flow Statement for the year ended 31 March 2017

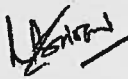
(Amount in Indian rupees)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	7,650,433	6,520,699
Adjustments		
Operating profit before working capital changes	7,650,433	6,520,699
Adjustments for :		
Increase in trade receivables, loans and advances	(4,578,484)	(6,070,344)
Increase in trade payables and other liabilities	961,826	1,822,441
Net cash from operating activities	4,033,775	2,272,796
Income taxes paid, net	(2,746,087)	(1,775,642)
Net cash flow generated from operating activities	1,287,688	497,154
B. CASH FLOW FROM INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Increase/ (decrease) in cash and cash equivalents	1,287,688	497,154
Opening cash and cash equivalents	1,416,283	919,129
Closing cash and cash equivalents (Refer Note 2.9)	2,703,971	1,416,283

Notes :

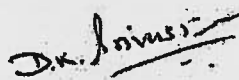
a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date attached
for B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

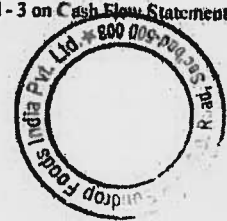

Sriram Mahalingam
Partner
Membership No.049642


Place: Hyderabad
Date: 01 May 2017

for Sundrop Foods India Private Limited
CIN: U01119TG1990PTC011259


Dharmesh Kumar Srivastava
Director
DIN: 06875689

Place: Gurgaon
Date: 01 May 2017




N Narasimha rao
Director
DIN:02561439

SUNDROP FOODS INDIA PRIVATE LIMITED

1: SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF ACCOUNTS

The financial statements of Sundrop Foods India Private Limited have been prepared and presented in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on the accrual basis. GAAP comprises accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 other pronouncements of Institute of Chartered Accountants of India and the relevant provisions of the Act.

USE OF ESTIMATES

The preparation of financial statements in conformity with (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

CURRENT AND NON-CURRENT CLASSIFICATION

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Apart from the above, current assets also include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Apart from the above, current liabilities also include current portion of non-current financial liabilities. All other liabilities are classified as non-current.



D.K. Jaiswal



1: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

REVENUE RECOGNITION

Revenue is recognised on accrual basis as and when services are rendered and billed to the customer in accordance with the terms of the contract (the parent company).

EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Gratuity which is defined benefit plan, is accrued based on an actuarial valuation using the projected unit credit method at the balance sheet date.

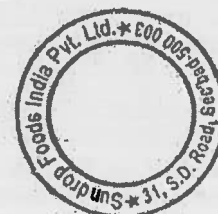
The Company's contribution payable to the recognised provident fund, which is defined contribution scheme. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which employees renders the related service.

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

All actuarial gains and losses arising during the year are recognised in the statement of profit and loss of the year.

D.K. Mishra

Neeraj



1: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES (continued)

INCOME-TAX EXPENSE

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and is written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby excess of income over expenditure 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. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

D.K. Anisra



Sundrop Foods India Private Limited

2. Notes to accounts

Particulars	(Amount in Indian rupees)	
	As at 31 March 2017	As at 31 March 2016
2.1 Share capital		
<i>Authorised</i> Equity shares 2,000,000 (previous year : 2,000,000) equity shares of ₹10 each	20,000,000	20,000,000
	20,000,000	20,000,000
<i>Issued</i> Equity shares 2,000,000 (previous year : 2,000,000) equity shares of ₹10 each	20,000,000	20,000,000
	20,000,000	20,000,000
<i>Subscribed and fully Paid-up</i> Equity shares 2,000,000 (previous year : 2,000,000) equity shares of ₹10 each fully paid up	20,000,000	20,000,000
	20,000,000	20,000,000

a. Rights, preferences and restrictions attached to 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 its 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.

D.K. Jain



Sundrop Foods India Private Limited

2. Notes to accounts(continued)

Share capital (continued)

b. The reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of Shares	Amount ₹	Number of Shares	Amount ₹
Shares outstanding at the beginning of the year	2,000,000	20,000,000	2,000,000	20,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,000,000	20,000,000	2,000,000	20,000,000

c. The details of shareholder holding more than 5% equity shares is set out below:

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Agro Tech Foods Limited (along with its nominees)	2,000,000	100	2,000,000	100

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

D.K. Jaiswal



Sundrop Foods India Private Limited
2. Notes to accounts (continued)

Particulars	(Amount in Indian rupees)	
	As at 31 March 2017	As at 31 March 2016
2.2 Reserves and surplus		
Surplus in the statement of profit and loss		
Opening balance	7,393,027	2,818,312
Add: Profit for the year	5,175,437	4,574,715
Closing balance	12,568,464	7,393,027

D.K. Jain



Sundrop Foods India Private Limited
2. Notes to accounts (continued)

(Amount in Indian rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
2.3 Long-term provisions		
Provision for employee benefits		
-Gratuity (Refer Note 2.22)	725,982	176,452
-Leave encashment	1,355,877	789,069
	2,081,859	965,521

D.K. Bhatnagar

100



Sundrop Foods India Private Limited
2. Notes to accounts (continued)

Particulars	(Amount in Indian rupees)	
	As at 31 March 2017	As at 31 March 2016
2.4 Trade payables		
Trade payables		
- due to micro and small enterprises (Refer Note 2.20)		
- other trade payables	1,072,160	1,193,561
	1,072,160	1,193,561
2.5 Other current liabilities		
Statutory liabilities		
Payable to employees	1,110,195	675,337
	3,618,434	4,533,440
	4,728,629	5,208,777
2.6 Short-term provisions		
Provision for employee benefits		
-Leave encashment		
	590,935	143,898
	590,935	143,898

D.K. Anand

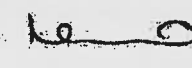
10/0



Sundrop Foods India Private Limited
2. Notes to accounts (continued)

(Amount in Indian rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
2.7 Long-term loans and advances		
Other loans and advances		
Unsecured, considered good		
Advance income tax (net of provisions)	829,634	871,821
	829,634	871,821

D.K. Jaiswal 



Sundrop Foods India Private Limited
2. Notes to accounts (continued)

(Amount in Indian rupees)

Particulars	As at 31 March 2017	As at 31 March 2016
2.8 Trade receivables *		
Unsecured, considered good		
Debits outstanding for period exceeding six months	7,193,941	7,193,941
Other debts	29,055,167	24,559,911
	36,249,108	31,753,852
(* amount represents amount due from holding company)		
2.9 Cash and cash equivalents		
Balance with banks		
-Current accounts	2,703,971	1,416,283
	2,703,971	1,416,283
2.10 Short-term loans and advances		
Other loans and advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	657,769	574,541
	657,769	574,541

D.K. Sharma

100



Sundrop Foods India Private Limited
2. Notes to accounts (continued)

(Amount in Indian rupees)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
2.11 Sale of services		
Revenue from distribution services	97,068,000	81,067,199
	97,068,000	81,067,199
2.12 Other income		
Miscellaneous income	-	59,730
	-	59,730
2.13 Employee benefits expense		
Salaries and bonus	56,293,594	47,295,078
Contribution to provident and other funds	7,482,526	4,867,945
	63,776,120	52,163,023
2.14 Other expenses		
Rates and taxes	2,373	1,980
Insurance	631,686	206,446
Communication expenses	2,329,839	1,872,484
Travelling	19,952,969	18,139,678
Auditors' remuneration (Refer Note: 2.21)	320,607	311,944
Printing and stationery	13,229	42,460
Advertisement and sales promotion	-	15,449
Professional charges	1,885,392	1,682,298
Bank charges	748	856
Miscellaneous expenses	504,604	169,612
	25,641,447	22,443,207
2.15 Tax expenses		
Current tax	2,788,274	2,043,878
Deferred tax credit	(313,278)	(97,894)
	2,474,996	1,945,984

Dr. Anand



Sundrop Foods India Private Limited
(All amounts in Indian Rupees, except share data and otherwise stated)

Notes to accounts (continued)

2.16: Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise net profit after tax. The number of shares (nominal value of ₹10) used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Computation of earnings per share (EPS)		
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit after tax	5,175,437	4,574,715
Weighted average number of equity shares of ₹10 each outstanding during the year	2,000,000	2,000,000
Earnings per share of par value ₹ 10 (basic and diluted)	2.59	2.29

Since, the Company does not have any potential equity shares hence, the basic and diluted earnings per share are the same.

2.17: Related party transactions

A) Related parties where control exists

S.No	Name of the Company	Relationship
1	Agro Tech Foods Limited	Holding company
2	ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company

B) Particulars of related party transactions

The following is a summary of significant related party transactions

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Agro Tech Foods Limited		
Reimbursement of expenses	17,160	111,669
Revenue received	97,068,000	81,067,199

C) The Company has the following amounts due from / to related parties

Particulars	As at 31 March 2017	As at 31 March 2016
Receivable from related parties		
Agro Tech Foods Limited		
Trade receivables	36,249,108	31,753,852

2.18: Segment information

The Company is engaged in the business of providing distribution services to its holding company, Agro Tech Foods Limited, with operations in India. Accordingly, no segment disclosure is made in the financial statements, as the Company has only one geographical and business segment.

2.19: Deferred tax assets

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred tax asset		
On expenditure allowed on payment basis	601,565	288,287
	601,565	288,287

2.20: Amounts payable to micro, small and medium enterprises

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 allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

D.K. Inias *NO*



Sundrop Foods India Private Limited
(All amounts in Indian Rupees, except share data and otherwise stated)

Notes to accounts (continued)

2.21: Auditors' remuneration (excluding service tax)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
As Auditor		
Statutory audit	181,500	181,500
Tax audit	121,000	121,000
Reimbursement of expenses	18,107	9,444
	320,607	311,944

2.22: Employee benefits

a) The employee benefit schemes are as under:

i. Provident fund :

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

ii. Gratuity :

In accordance with 'The Payment of Gratuity Act, 1972' of India, 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.

b)

The following table sets out the particulars of the employee benefits as required under the Accounting Standard 15 (Revised) - "Employee Benefits"

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Gratuity		
Opening defined benefit obligation	613,558	441,068
Current service cost	452,790	256,660
Interest cost	42,074	33,795
Actuarial (gain)/ loss	276,309	(102,377)
Benefits paid	(112,572)	(15,588)
Closing defined benefit obligation	1,272,159	613,558
Change in the fair value of plan assets		
Opening fair value of plan assets	437,106	390,245
Expected return on plan assets	37,524	32,629
Contribution by employer	176,452	50,823
Benefits paid	(112,572)	(15,588)
Actuarial gain/ (loss)	7,667	(21,003)
Closing fair value of plan assets	546,177	437,106
Expense recognised in the statement of profit and loss under employee benefits expense		
Current service cost	452,790	256,660
Interest cost	42,074	33,795
Expected return on plan assets	(37,524)	(32,629)
Net actuarial (gains)/ losses	268,642	(81,374)
Total	725,982	176,452
Actual return on plan assets	45,191	11,626

D.K. Srivastava



Sundrop Foods India Private Limited
(All amounts in Indian Rupees, except share data and otherwise stated)

Notes to accounts (continued)

Amount recognised in the balance sheet		
Particulars	As at 31 March 2017	As at 31 March 2016
	Gratuity	
Present value of unfunded obligation	1,272,159	613,538
Less: Fair value of plan assets	546,177	437,106
Net Liability / (assets)	725,982	176,432
Discount rate	7.20%	7.55%
Salary escalation rate	7.00%	7.00%
Expected rate of return on asset	8.00%	8.00%

Amounts for the current and previous four periods are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Opening defined benefit obligation	1,272,159	613,538	441,068	337,905	441,919
Plan Assets	546,177	437,106	390,245	-	-
Deficit/(Surplus)	725,982	176,432	50,823	337,905	441,919
Experience Adjustments - Plan Assets	7,667	(21,003)	28,687	-	-
Experience Adjustments - Plan Liabilities	222,844	(92,319)	(145,046)	(552,367)	-

2.23 There are no litigations as on balance sheet date.

2.24 Specified bank notes disclosure*

Details of Specified Bank Notes (SBNs) held and transacted during the period from 8 November, 2016 to 30 December, 2016 are as below:

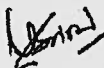
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

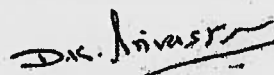
* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

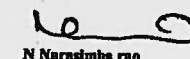
2.25 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year classification.

As per our report even date attached
for BSR & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

for Sundrop Foods India Private Limited
CIN: U01119TG1990PTC011259


Sriram Mahalingam
Partner
Membership No.049642
Place: Hyderabad
Date: 01 May 2017


Dharmesh Kumar Srivastava
Director
DIN: 06875689
Place: Gurgaon
Date: 01 May 2017


N Narasimha rao
Director
DIN:02561439



