



Ref No.: PSL/2019-20/CS/SE/40  
Date: 2<sup>nd</sup> September, 2019

To, Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra Kuria Complex Bandra ( E), Mumbai -400 051  Symbol: DIAMONDYD	To, Corporate Relationship Department <b>BSE Limited</b> P.J. Towers, Dalai Street Mumbai- 400 001  Security Code: 540724 Security ID : DIAMONDYD
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**Sub: Submission of Annual Report for the year 2018-19 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

This is to you inform you that the 10<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Friday, 27<sup>th</sup> September, 2019 at 01:30 p.m., at the Registered Office of the Company at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452 020 (M.P.).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015, we submit herewith the Annual Report for the year 2018-19 along with the Notice of 10<sup>th</sup> Annual General Meeting of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For Prataap Snacks Limited

**Om Prakash Pandey**  
Company Secretary & Compliance Officer



Encl: As above

**Prataap Snacks Limited**  
(Formerly known as Prataap Snacks Pvt. Ltd.)

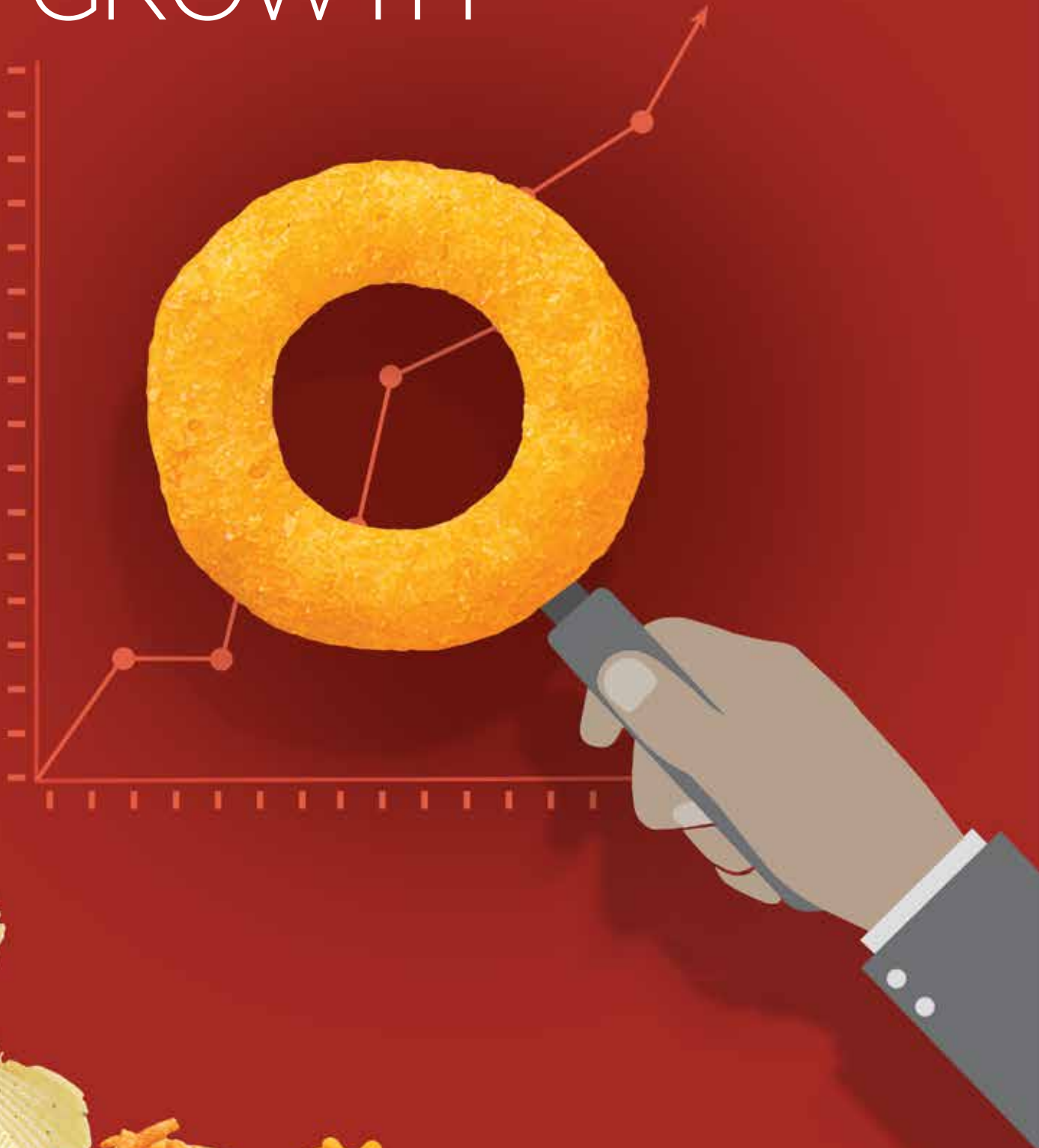
Office : Khasra No. 378/2, 378/1/4, Nemawar Road, Near Makrand House, Gram : Palda, Dist. : Indore (M.P.) India  
Phone : ++91-731-2437600, 2437602-10 E-mail : info@yellowdiamond.in

CIN No. L15311MP2009PLC021746

# APPETITE FOR GROWTH



Dildaar hain  
hu♡



PRATAAP SNACKS LIMITED  
ANNUAL REPORT | 2018-19

# What's Inside

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### Forward-Looking Statement

The Annual Report may contain, without limitation, certain statements that include words such as "believes", "expects", "anticipates" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.



[www.yellowdiamond.in](http://www.yellowdiamond.in)

Visit Company's official website to download the Annual Report.



# APPETITE FOR GROWTH

## BEING UNSTOPPABLE AND INSATIABLE...

Being one of India's leading organised packaged snacks maker, we have an unstoppable and insatiable growth appetite. With a wide product portfolio and a well-spread distribution network, we are a formidable player in the packaged snacks market.

**We are a growth-oriented company. We are whetting our appetite for growth by...**

## RAMPING UP OUR DISTRIBUTION NETWORK...

We continually whet our consumers' appetite by ramping up retail coverage and being present pan-India. New categories, segments and markets, rising opportunities and a strong growth appetite is enabling us to grow at a rapid pace.

## GETTING CLOSE TO OUR CUSTOMERS...

We are enabling our consumers to make informed choices by providing them with tastier and quality food choices in line with evolving tastes. We are enriching their buying experience by continuously expanding our bouquet of high-quality, pure and safe product offerings.

## CATERING TO A WIDER HORIZON...

Our appetite is never satiated. We marched ahead of the curve in building a better growth appetite by creating the right taste in targeted innovation and in giving the right value to the Indian consumer. Leveraging synergies due to our acquisition and entry into newer segments and markets will lead to growth in the next few years.

## SAFEGUARDING A SUSTAINABLE FUTURE...

We have a huge appetite for growth and a clear strategy for a sustainable future. We are constantly setting up a growth momentum, steadily growing our market and reiterating our national presence, with a keen focus on scale, attracting new consumers, driving volumes and building a strong competitive advantage, setting the scale for faster growth and high profitability.





# Insatiable Appetite, Continuous Growth

Prataap Snacks Limited, headquartered at Indore in Madhya Pradesh, is a leading organised player in India's fastest growing packaged snacks market, with a well-diversified and a strong product portfolio.

## CATEGORIES OF SNACKS



CHIPS



NAMKEEN



EXTRUDED SNACKS (RANDOM)



EXTRUDED SNACKS (SHAPED)



PELLET



SWEET SNACKS

Over **100** SKUs

**14**

Manufacturing Facilities  
(5 Inhouse plants and 9 contract manufacturing units)

More than **11 million** packets sold per day

**27**

States  
**1**

Union Territory

**Market leader**  
in Rings

**240+**

Super Stockists

**Over 4,100**

Distributors

Reach of over **1.7 million** Retail Touchpoints



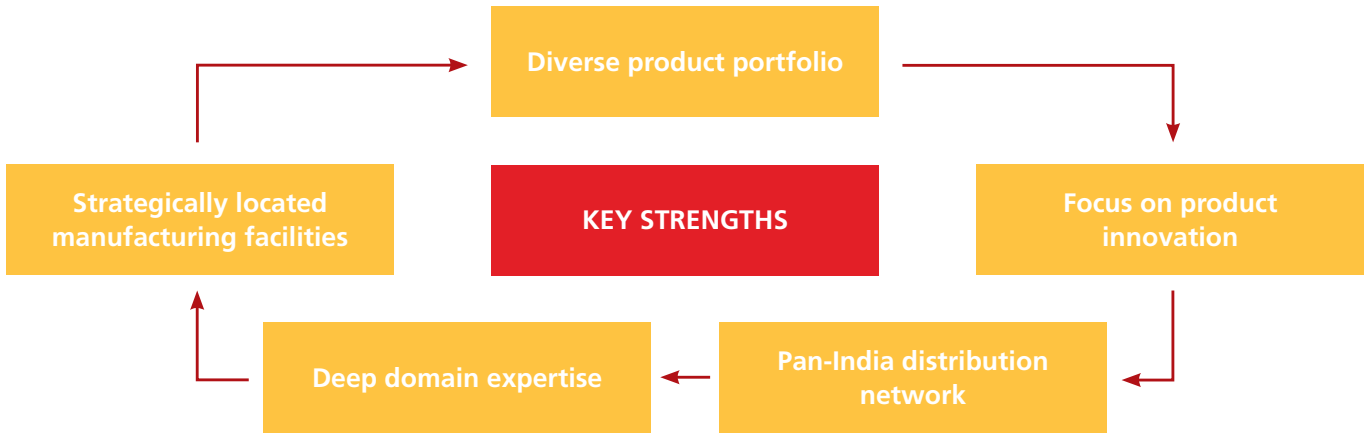
## OUR MANUFACTURING UNITS

## 5 Own Manufacturing Units

2 in Indore | 2 in Assam  
1 in Rajkot

## 9 Third-Party Manufacturing Units

2 each in Kolkata and Ahmedabad  
1 each in Bengaluru, Tumkur, Kashipur, Karjat and Hisar



## FINANCIAL HIGHLIGHTS

## Revenue

₹ **1,170.6** Crore

Up **14.9%**

## Operating EBITDA

₹ **83.2** Crore

Margin **7.1%**

## PAT

₹ **44.6** Crore

Margin **3.8%**

## Networth

₹ **561.4** Crore

## Dividend

₹ **1** per share

2<sup>nd</sup> consecutive annual dividend

## KEY BUSINESS HIGHLIGHTS

## A. Acquisition of Avadh Snacks

- Prataap's first-ever acquisition enables it to create a presence in Gujarat, India's largest snacks market
- Avadh's regional product portfolio of Namkeen and Fryums complements Prataap's existing Yellow Diamond product portfolio

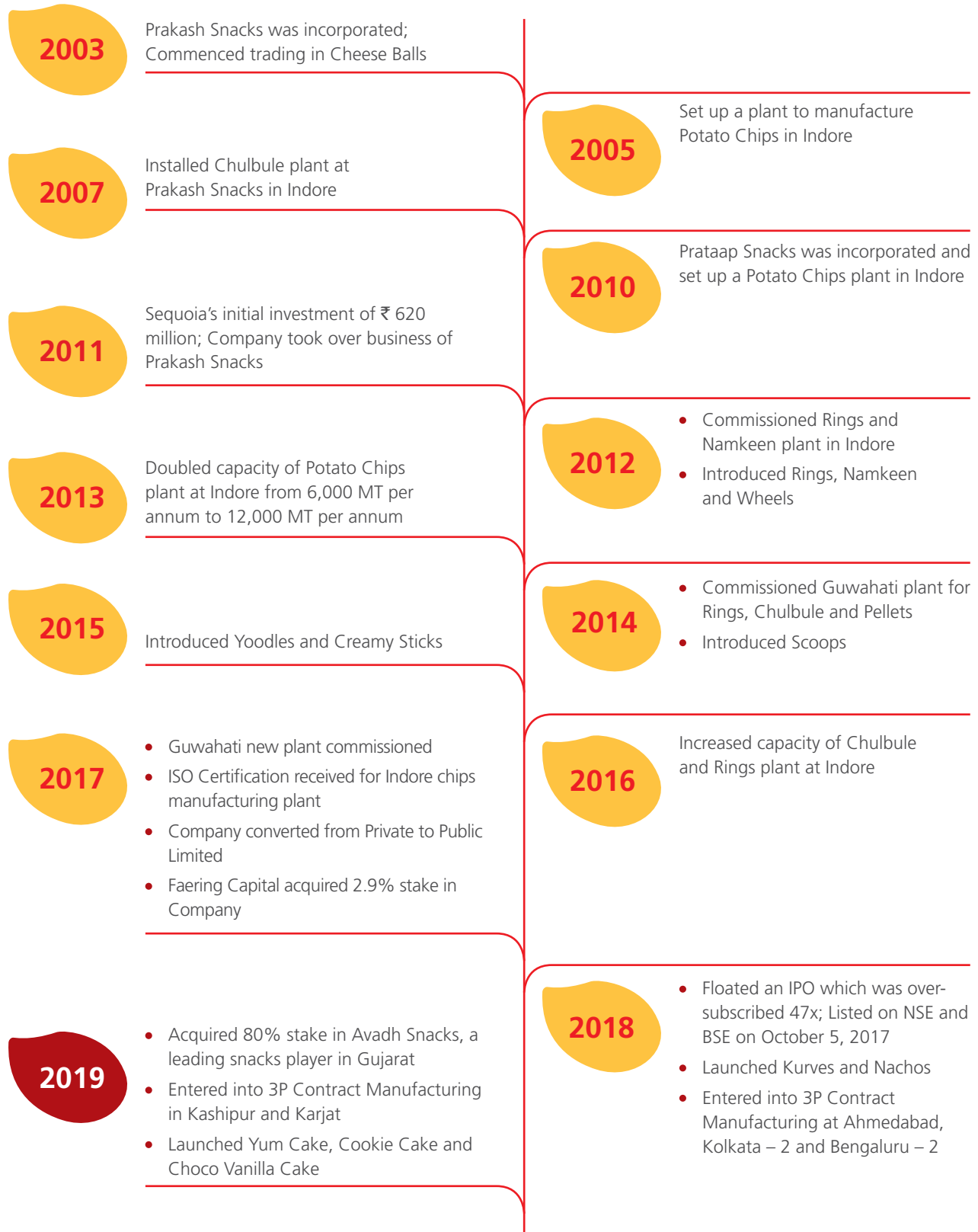
## B. Strategic Capacity Expansion

- Entered into arrangements for new 3P manufacturing facilities, enabling asset-light expansion in proximity to key markets
- Expanding the sweet snacks capacity by adding additional lines at the existing facility
- Avadh's Rajkot facility also added to the network of Prataap Snacks

## C. Augmenting the Product Portfolio

- New products added in sweet snacks portfolio (3 products added in 2019)
- Avadh's portfolio of over 50 SKU now part of Prataap Snacks comprehensive offering
- Strengthening of existing portfolio, added 2 products

## TIMELINE OF EVENTS



## Leveraging the Right Synergies

Avadh Snacks is one of the fastest growing snack foods company in Gujarat, India's biggest salty snacks market. It is regarded as a super value player with a wide product portfolio and a well-entrenched distribution presence. It is well positioned to penetrate deeper in the home market and expand further in new geographies and products.

### GAINING BENEFITS FROM AVADH SNACKS

- The acquisition of Avadh Snacks enables Prataap Snacks to accelerate growth and deepen its presence in the key market of Gujarat, where it is keen to build a presence along with a strong partner.
- Its widespread distribution network and strong brand salience enables Prataap to create a meaningful presence in Gujarat. The acquisition will lead to synergy in distribution across Gujarat and neighbouring markets.
- Its low-cost model will be replicated in the key market clusters across India.
- Its product portfolio of Namkeen and Fryums perfectly complements Prataap's existing product portfolio.
- Prataap will gain by leveraging significant opportunities for cross pollination of select products of Avadh into Yellow Diamond markets and vice versa, with a blend of regional and national flavours and variants across categories.





# Chairman's Message to Shareholders



Dear Shareholders,

It is my honour and privilege to interact with you as the Chairman of the Board. FY2019, which was our 15<sup>th</sup> year of operations, has been an exciting one and an important step in our growth journey. Incorporated in 2009, we have evolved into a leading snack food company with a pan-India presence selling over 11 million packets a day. We are one of the leading players in the ₹ 55,000 crore packaged snacks market in India with an appetite for robust growth.

## ECONOMIC OVERVIEW

India's economy grew by 6.8% during FY2019, continuing on its robust growth trajectory as the fastest growing major economy. The nation has been ranked 77 out of 190 countries that are included on the World Bank's Ease of Doing Business Index for 2019. It is expected to overtake UK to become the world's third-largest economy and is poised to surpass Japan and feature at the second position in the Asia-Pacific region by 2025. The new government is working towards transforming it from a US\$ 3 trillion economy to a US\$ 5 trillion economy by 2025, lifting the country to the ranks of the world's upper middle-income countries.

With rising economic growth, the size of the Indian consumer market is also forecast to increase from US\$ 1.9 trillion in 2019 to US\$ 3.6 trillion by 2025. Owing to urbanisation and growing income levels, the snack market and the overall packaged food industry in India too has immense growth potential. The market for organised snacks is projected to grow by a CAGR of about 14.6% between 2016 and 2021. Affordability of products is important for growth in most categories in India due to the low per capita income level.

## OUR PERFORMANCE IN FY2019

At Prataap Snacks, we deliver value products that are either priced lower or offer more per pack. We have been able to build a strong business, being ahead of the curve in creating the right taste in innovation and giving value to the customer. During the year under review, we maintained a positive growth trend. We also grew our top line on the back of our improved distribution reach and new product launches.

The growing popularity of our snacks led to an annualised consolidated revenue to ₹ 1,170.6 crore, up 15% from ₹ 1,036.7 crore. Our foray into Sweet Snacks segment has delivered positive results and the Avadh portfolio delivered healthy performance. Growth of the organic Yellow Diamond portfolio, one of our products, was muted as we faced challenges relating to increasing competition and capacity constraints.

Compression in the EBITDA margin was partly mitigated by measures to reduce costs, rationalise trade margins and channel discount. PAT is marginally higher despite lower EBITDA and increased depreciation. Our net profit stood at ₹ 44.6 crore, compared to ₹ 44.1 crore last year. Further, our Board of Directors have recommended a final dividend of ₹ 1 per share to reward our shareholders for their continued support.

## ACQUISITION OF AVADH SNACKS

During the year, we acquired 80% stake in Gujarat-based namkeen maker Avadh Snacks for ₹ 148 crore, involving a

combination of primary and secondary investments. Avadh has a strong presence in Gujarat and is now also expanding to adjacent markets. This has been a maiden acquisition in our history. We plan to take the portfolio of Avadh outside Gujarat by leveraging our distribution network and manufacturing capacity. Our product portfolios are complementary, which will aid growth. And also, the acquisition finally provides an entry into the lucrative Gujarat market, currently dominated by regional players.

We are expecting synergy to benefit out of economies of scale and rationalisation of operational and distribution cost for the Gujarat region. Currently, Avadh plant is being operated at almost 100% capacity utilisation and we are in the process of enhancing the capacity.

### NEWER MARKETS AND INNOVATIVE STRATEGIES

We have been capturing new segments and categories every year. Starting with chips, we entered extruded snacks and namkeen, and we are now entering Yum Cake and Cookie Cake. We are convinced that the sweet snack category has a large potential which is currently not catered too. We will deepen our reach

**Our appetite for growth is growing by the day - with a strong product platform, multiple manufacturing facilities located in proximity to key markets, proven consumer understanding, innovative capabilities and a well-entrenched distribution network.**

in existing markets and focus on states like Gujarat, U.P. and Punjab where we can meaningfully penetrate the market. We will continue to innovate our product portfolio and introduce new variants keeping in mind customer tastes and preferences.

### FUTURE OUTLOOK

We see rural demand picking up with a favourable monsoon. The lowering of edible oil import duty from 44% to 40% and a cool-off in crude oil prices will help improve our margins. Despite soaring prices of corn meal, which contributed to higher food inflation, we intend to maintain a positive trend in margins through appropriate measures. We also expect to garner a higher market share as more and more consumers shift from the unorganised to organised segment of the packaged snacks category in India. This, coupled, with our new launches and distribution expansion, we have enough drivers to back our growth momentum.

### APPETITE FOR GROWTH

Our appetite for growth is growing by the day – with a strong product platform, multiple manufacturing facilities located in proximity to key markets, proven consumer understanding, innovative capabilities and a well-entrenched distribution network.

Our vision is to scale the company to greater heights within a decade with our four categories of snacks. We have a sure-shot and well-planned definite appetite for growth as we delve deeper into the sweet snack category and expand distribution into new geographies. We estimate growth to emerge from our geographical expansion, new product introduction and the growing sweet snack category.

### CONCLUSION

Moving ahead, we remain focused on delivering deep value to our consumers through introduction of latest snacks at a variety of pack sizes with attractive prices. We will continue to build on our presence in the existing markets and also grow our presence in untapped states and sub-markets across the country. We also aim to take advantage of the macro-economic factors and trends in the Indian snacks market in the proposed new geographies.

I would also like to sincerely thank our customers and our shareholders for their support and confidence, that has helped us create a strong foundation for our future plans.

Warm Regards,

**Arvind Mehta**

Chairman and Executive Director



# Managing Director & CEO's Message to Shareholders



Dear Shareholders,  
FY2019 will be remembered in the history of Prataap Snacks Limited as an eventful year with our successful launches into sweet snacks segment and acquisition of Avadh Snacks. During the year, we progressed on our growth journey and continued to scale new heights through consumer-centric product innovations, aimed towards driving profitability.

## ECONOMIC OVERVIEW

Over the past 15 years, we have transformed ourselves from being a single product company to one with multiple branded products in the portfolio. Today, we have a diversified product portfolio which includes traditional and western snacks. We have been gaining year-on-year market share and are confident of making a mark in the exciting high growth snack food industry in India.

We believe that the culture of good governance stems from the top. Our strict adherence to regulatory and supervisory norms, systems-driven framework of supervisory committees and a diligent Board are a few examples of how the culture, policies and relationships reflect our strong corporate governance. Over the years, we have cultivated a competent leadership team with deep domain expertise who are guided by an active, capable, diligent and accomplished Board, which sets the tone for good corporate governance. We understand sound corporate governance and its importance in retaining and enhancing investors trust.

## OPERATIONAL HIGHLIGHTS

### a. Acquisition of Avadh Snacks

The acquisition of Avadh during the year gave us an established and popular brand with a complementary bouquet of products, a manufacturing facility at Rajkot and a well-oiled distribution network in Gujarat. It will enable to establish a dominant presence in Gujarat, the biggest snacks market in India. With a strong partner like Avadh, we are keen to build a presence in one of the most important markets. Avadh, too, will benefit with our association as this is making it well positioned to penetrate deeper in its home markets and expand into new geographies and products.

### b. Foray into sweet snacks

Last year, we added sweet snacks to our portfolio and, in FY2019, we launched the Yum Cake and Cookie Cake, which complements our salty snack portfolio. This was followed by Choco Vanilla Cake which added to the momentum. We are excited about our sweet-snacks portfolio as it addresses a high potential segment, which is currently under-penetrated.

Our foray into sweet snacks provides us with significant competitive advantages – an attractive gross margin profile, lower freight costs, less volatile raw material, product diversity and ability to enhance ROI in the distribution network. Meanwhile, we expanded our production capacity for sweet snacks by adding one production line each for Cupcakes and Tiffin Cakes.

Cupcakes were launched in July 2019, and Tiffin Cakes will also be launched soon.

### TRANSFORMING PRODUCTION MODEL

The year also witnessed us making good progress in transforming our production model with outsourcing manufacturing largely leading expansion helping us create an asset-light model. We contracted third-party manufacturing facilities in Ahmedabad, Kolkata and Bengaluru during 2018.

In 2019, we contracted third-party manufacturing facilities at Kashipur in Uttarakhand, and Karjat in Maharashtra. We also contracted our Hisar facility in FY2020's first quarter. Of our 14 manufacturing facilities, 9 are contracted while the remaining 5 are owned by us. These contracted facilities help create an asset-light model and will provide us with a strategic advantage of higher flexibility, enabling faster replenishments with a presence across the country.

### NETWORK EXPANSION

There has been exciting progress on the strategic imperative of network expansion and business model transformation within the Company. We currently have a distribution network of more than 240 super stockists and over 4,100 distributors, and are present over 1.7 million outlets. We plan to significantly ramp up our retail coverage in the next few years and make ourselves well capable of competing with our competitors.

Our plan is to also expand to places where we are not strong – Punjab, Uttar Pradesh, Gujarat, Southern India, Himachal Pradesh and Jammu & Kashmir. Within two years, we expect to expand our presence to pan-India and hope to be a major force in the category, with multiple plants.

### OUR FOUR-PRONGED GROWTH STRATEGY

We are optimistic about our steady and sustainable future, and remain focused on our four-pillared strategy for growth. One, to drive continued growth in the established portfolio of salty snacks by better penetrating existing markets and entering new ones. We will continue to introduce new products and variants keeping in mind customer tastes and preferences. Two, growth of Avadh business within Gujarat and newer markets. The expansion of the Avadh model in the near future will help us to augment our market reach with lesser distribution costs. Three, exploiting synergy for Yellow Diamond products on Avadh platform, and vice versa. Four, new product variants in sweet snack portfolio which enjoy mass appeal, supported by enhanced capacity, will allow us to further grow the segment.

**We are optimistic about our steady and sustainable future, and remain focused on our four-pillared strategy for growth. One, to drive continued growth in the established portfolio of salty snacks by better penetrating existing markets and entering new ones.**

### CLOSING REMARKS

It has been an evolving journey since our inception as a local player and we will continue to focus on higher volumes across all our products and categories to enhance growth. We have taken bold and strategic decisions and will continue to address any potential challenges in the future. Our top priority is to ensure a sustainable revenue growth across all our product categories. We are constantly working at achieving and sustaining scale, being focused on innovation across our products.

I take this opportunity to convey thanks to our Board Members for their constant guidance and support. We look forward to their support as we continue to create long-term value for our stakeholders. On behalf of the Board, we thank our shareholders for believing in us, the Management, and our employees for their loyalty and contribution.

Let us all move Prataap Snacks to the next level, delivering more value for all stakeholders.

**Amit Kumar**

Managing Director and CEO





# The Appetising Brand

With a diversified product portfolio over 100 SKU across variety of categories, a pan-India network and a growing youth brand, we are all about the heart "Dildaar Hain Hum".



We have had a true “Make in India” journey - from small beginnings to becoming one of India’s biggest snack food companies, accelerating growth and deepening our presence. Today, Yellow Diamond is among the top Indian snack brands in the country, understanding the Indian consumer and the Indian palate.

With “Dildaar Hain Hum” as our brand philosophy, we aspire to be loved forever, increase our brand awareness and strengthen the brand recall.





# Appetite for Innovation

Innovation is a top priority for us and our key growth driver. With a keen understanding of consumer tastes and changing preferences, we are consistently innovating our product portfolio with new flavours, unique variants and innovative product segments across variety of categories.



**Our Continuous Product Innovation**

**Dildaar hain hu**

**2009**

**POTATO CHIPS**

- Cream & Onion
- Nimbu Masala

**CHULBULE**

- Taza Tomato

**2010-11**

**POTATO CHIPS**

- Tasty Punch
- Mast Masala

**CHULBULE**

- Achari

**2012**

**POTATO CHIPS**

- Black Pepper

**INTRODUCTION OF RINGS, NAMKEEN AND WHEELS**

**2013**

**NAMKEEN**

- Banana Wafer with Black Pepper
- Banana Wafer Salted
- Cornflake Mixture
- Mitha Falahar
- Bhel
- Sev Murmura

**POTATO CHIPS**

- Yummy Masala
- Chatpata

**2014**

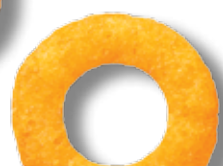
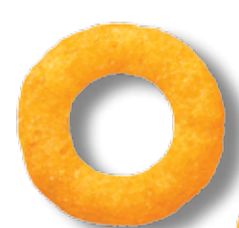
**NAMKEEN**

- Garlic Sev Mamra
- Masala Matar
- Gatiya Masala

**CHULBULE**

- Cream & Onion

**INTRODUCTION OF SCOOPS**



We are constantly demonstrating our ability to deliver strategic and agile innovation. We continually cater to differing regional tastes and certain flavours, which is helping us garner nation-wide acceptance. Our innovative offerings enable us to attract the younger segment of the population.

**Foray into Sweet Snacks**

During the year, we moved beyond the business of savouries and entered the sweet snacks category. We launched our umbrella brand "Rich Feast" under which we launched Yum-Pie, Yum-Cake, Cookie-Cake and Choco Vanilla Cake. With this, we secured a position in the bigger macro-snack category, from being a salty snacks player.



2015

**NAMKEEN**

- Chana Chor

**INTRODUCTION OF YOODLES AND CREAMY STICKS**

2016

**RING**

- Mango Chutney
- MRP 15 pack with bigger toys

2017

**INTRODUCTION OF SEVEN WONDERS RANGE OF HEALTHIER SNACKS**

2018

**LAUNCHED NACHOS AND KURVES**

**LAUNCHED YUM-PIE, A VARIETY OF SWEET SNACKS, UNDER THE NEW UMBRELLA BRAND "RICH FEAST"**

2019

**KURVES**

- Cheese and masala variants

**LAUNCHED YUM CAKE, COOKIE CAKE AND CHOCO VANILLA CAKE**







## Appetite for Leveraging Industry Growth

India's organised snacks market is estimated to grow the fastest due to the shift from unorganised sector and increased penetration into the rural pockets. With urbanisation and growing income levels, the snack market in India has immense growth potential to grow.



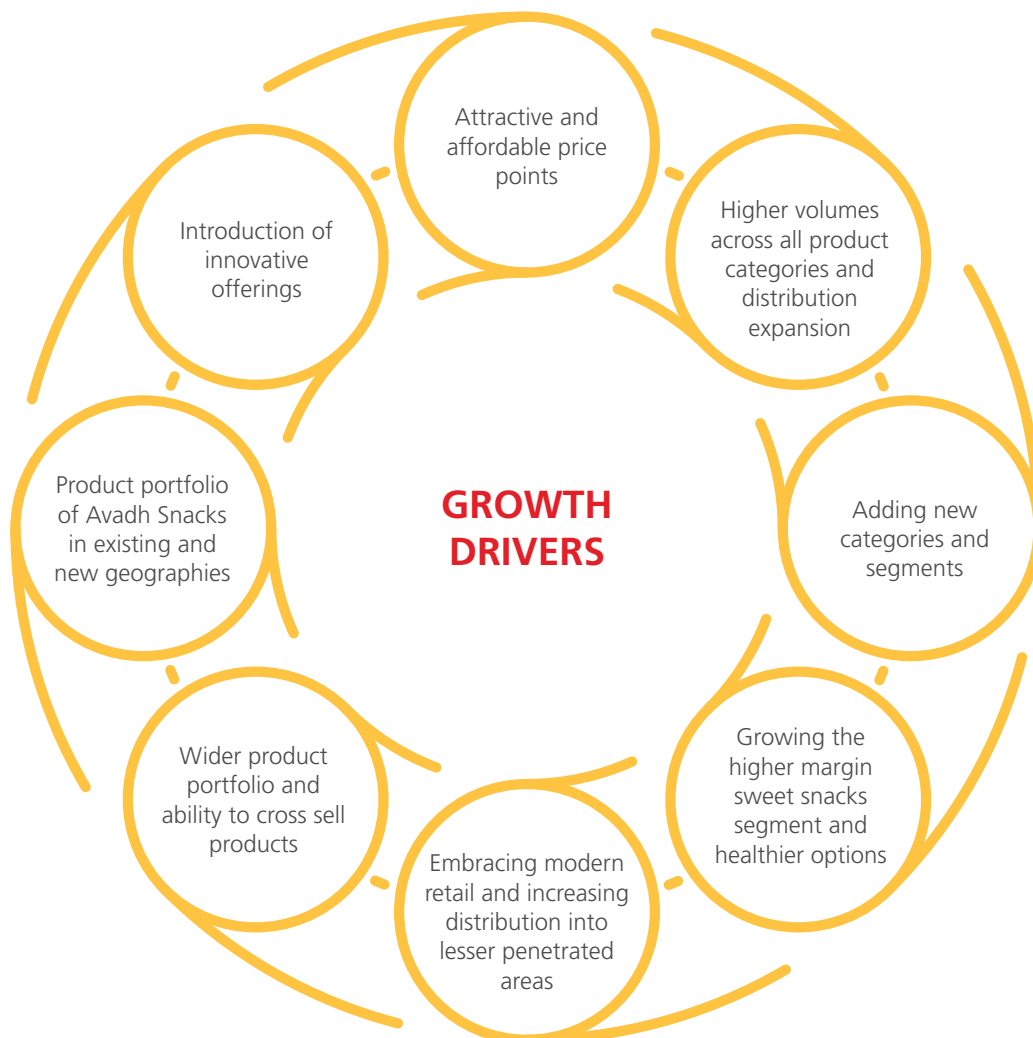
The organised snack market in India has grown by 12% CAGR during FY 2010-18. The market is currently valued at ₹ 220 billion – only 40% of the total snack market. It is estimated to register a CAGR of 14.3% during FY 2016-21. India's lower per capita food consumption, accessibility to a variety of snacks with different flavours, and easy availability and scope for a broader range of SKUs are some key factors driving market development.

The organised segment has been performing well due to an overall growth in processed foods segment, followed by a moving trend towards market consolidation. Strong demographics such as a large and growing population, rising population of youth and children, growing affluence and increasing per capita expenditure on food have been increasing the demand for packaged snacks.

There is a clear and rising appetite for convenience foods with the introduction of popular product categories. Affordability of products is important for growth in India due to the low per capita income levels. The population at the bottom of the pyramid is growing demand for packaged snacks, moving from unorganised to organised market.

### OUR STRATEGY FOR GROWTH

At Prataap Snacks, we have a unique ability to identify market trends and create new flavours according to demand and desired tastes. We have been delivering value products and an efficient pricing strategy. Our strong distribution network is also working well to make our comprehensive portfolio available across the country, driving consistent growth. With new launches, consistent innovation and distribution expansion, we have enough drivers to grow further.



## Appetite for Good Deeds

The CSR Policy lays down our intent, approach and goals of our organisation's social responsibility initiatives and delineates guidelines and frameworks along with suggested mechanisms to fulfil such goals. It also details the mechanism related to implementation, monitoring, reporting, disclosure, and evaluation of projects, programmes and activities that are part of our community outreach. Our CSR activities revolve around promotion of education, animal welfare, reduction of poverty while elevating the conditions of the weaker segments of our society.

The Company has spent a total amount of  
**₹ 59.42 lakhs**  
towards CSR activities during FY 2018-19.



## KEY INITIATIVES THAT WE SUPPORTED

### Food, medicine and shelter for Animal

The Company contributed ₹ 7.44 lakhs from its profits to treat injured and old animals and nurse them back to good health. These funds were donated to the Animal Welfare Society, a non-governmental organisation, so as to provide shelter and succour to animals.



### Promoting Health through Healthcare

The Company contributed ₹ 9.48 lakhs to Parpeeda Har Welfare Society Samity and Sahayata, to purchase medical equipment's and medicine. The equipment and medicine were dedicated for use/treatment of needy and underprivileged people. The Company contributed a further ₹ 10.00 lakhs to Child Care & Education Society, Sahayata and Indore Eye Hospital. These funds were used to organise a free Health check-up camp for weak and underprivileged persons residing in Palda, Indore.



### Caring for the Disabled

The Company donated ₹ 5 lakhs to Mahesh Dristiheen Kalyan Sangh, a 40-year-old organisation that works to benefit blind girls. The funds were used to construct a shed over the lane connecting the toilets and residence block of their centre.

### Assistance to Socially and Economically backward groups

We donated ₹ 7.50 lakhs to Sri Devi Matoshri Samajik Seva Sansthan, an organisation working for the welfare and social integration of individuals with mental challenges. The organisation works to build capabilities of such patients so that they can be integrated within the mainstream of the society.



The Company has also contributed ₹ 5.00 lakhs to Ved Vigan Maha Vidhya Peeth, an educational and charitable trust, that is engaged in rural development programmes, women's empowerment projects and educational initiatives. The funds were utilised for school projects directed towards underprivileged persons.



The Company supported socially and economically backward persons with a contribution of **₹ 15 lakhs** to Sewadham Ashram, an organisation engaged in providing lifetime shelter and a rehabilitation centre for the homeless, helpless, differently-abled, mentally ill, dying and destitute people from different parts of the country, who lacked any family support.

# Board of Directors



**Mr. Arvind Mehta**  
Chairman and Executive Director  
Over 30 years of experience in real estate business along with over 16 years in the snacks food industry and in the financing business



**Mr. Amit Kumat**  
Managing Director and Chief Executive Officer  
Over 23 years in the snacks food industry



**Mr. Apoorva Kumat**  
Executive Director (Operations)  
(w.e.f. 02.11.2018)  
Over 23 years of experience in the snacks food industry



**Mr. G.V. Ravishankar**  
Non-Executive / Non-Independent Director  
MD (Sequoia Capital)  
Over 18 years in management consultancy & PE investments. Previously worked at McKinsey & Company and Wipro Technologies



**Mr. V.T. Bharadwaj**  
Independent Director  
(w.e.f. 01.07.2019)  
General Partner (A91 Partners)  
Over 18 years in management consultancy & PE investments. Previously worked with Sequoia Capital and McKinsey & Company



**Dr. Om Prakash Manchanda**  
Independent Director  
(upto 04.07.2019)  
CEO & Executive Director (Dr. Lal Pathlabs) and earlier with Hindustan Lever, Ranbaxy Laboratories Limited



**Mrs. Anisha Motwani**  
Independent Director  
Partner (Storm the Norm Ventures)  
Earlier with General Motors India and Max Life Insurance Company



**Mr. Vineet Kumar Kapila**  
Independent Director  
Ex COO (RPC North of United Spirits) and earlier MD (Spencer's Retail)



**Mr. Haresh Ram Chawla**  
Independent Director  
Partner (India Value Fund) and earlier CEO (TV18)



**Mr. Chetan Kumar Mathur**  
Independent Director  
Ex CFO PepsiCo India (Snacks)  
30 years of experience in F&B industry, worked with PepsiCo India for 23 years

## Senior Management Team



**Mr. Sumit Sharma**  
Chief Financial Officer

Member of Institute of Chartered Accountants of India. He has over 17 years of experience in accounting, finance, banking and taxation and worked with Crompton Greaves, L&T and New Holland Group



**Mr. Subhashis Basu**  
Chief Operating Officer

He holds bachelor degree in Science (Economics). He has over 27 years of experience in the FMCG industry and worked with Parle, PepsiCo India and Mother Dairy



**Mr. Subhash Bhatt**  
Vice President - Production

He holds bachelor degree in Technology. He has over 23 years of experience in the snacks food industry and worked with Prakash Snacks and Hello Agro



**Mr. Deepak Brahma**  
Vice President - Production

He holds bachelor degree in Science. He has over 23 years of experience in the snacks food industry and worked with Prakash Snacks and Hello Agro



**Mr. Raj Kumar Kalra**  
General Manager Sales - North

He holds bachelor degree in Arts. He has around 31 years of experience in the FMCG industry and worked with Moon Beverages, Aqua Minerals, Super Cassettes and Paras Aqua



**Mr. Awadh Bihari Singh**  
General Manager Sales - East

He holds bachelor degree in Science. He has over 31 years of experience in the FMCG industry and worked with Prakash Snacks and Hello Agro



**Mr. Mahesh Purohit**  
General Manager Sales - West

He holds bachelor degree in Commerce. He has over 22 years of experience in the FMCG industry and worked with Parke-Davis, BPL Synergy and Candico



**Mr. D.V. Praveen Kumar**  
General Manager Sales - South

He holds bachelor degree in Commerce. He has over 31 years of experience in the field of beverages & food, FMCG, dairy, confectionaries, cosmetics and edible and worked with PepsiCo for more than 21 years



**Mr. Om Prakash Pandey**  
Company Secretary and Compliance Officer

Fellow Member of the Institute of Company Secretaries of India. He has over 12 years of experience in corporate laws and secretarial matters and worked with NSE, Great Offshore, Aavantika Gas and Universal Cables



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Arvind Mehta  
*Chairman & Executive Director*

Mr. Amit Kumar  
*Managing Director & Chief Executive Officer*

Mr. Apoorva Kumar  
*Executive Director (Operations)*  
(w.e.f. 02.11.2018)

### Non-Executive / Non-Independent Director

Mr. G.V. Ravishankar

### Independent Directors

Mr. Vineet Kumar Kapila

Mr. Haresh Ram Chawla

Mrs. Anisha Motwani

Mr. Chetan Kumar Mathur

Dr. Om Prakash Manchanda  
(upto 04.07.2019)

Mr. V. T. Bharadwaj  
(w.e.f. 01.07.2019)

### Chief Financial Officer

Mr. Sumit Sharma

### Chief Operating Officer

Mr. Subhashis Basu

### Company Secretary & Compliance Officer

Mr. Om Prakash Pandey

### Auditors

#### Statutory Auditor

M/s. SRBC & CO LLP  
Chartered Accountants

#### Secretarial Auditor

M/s. Ritesh Gupta & Co.  
Company Secretaries

#### Internal Auditor

M/s. Grant Thornton India LLP

## COMMITTEES

### Audit Committee

Mr. Chetan Kumar Mathur  
*Chairman*

Mr. Vineet Kumar Kapila

Mr. G.V. Ravishankar

Mrs. Anisha Motwani

### Nomination and Remuneration Committee

Mr. V.T. Bharadwaj  
*Chairman*

Mr. Vineet Kumar Kapila

Mr. G.V. Ravishankar

### Corporate Social Responsibility Committee

Mrs. Anisha Motwani  
*Chairperson*

Mr. Arvind Mehta

Mr. Amit Kumar

Mr. V.T. Bharadwaj

Mr. Haresh Ram Chawla

### Stakeholders Relationship Committee

Mr. Haresh Ram Chawla  
*Chairman*

Mr. Arvind Mehta

Mr. V.T. Bharadwaj

Mr. Vineet Kumar Kapila

Mrs. Anisha Motwani

### Risk Management Committee

Mr. Chetan Kumar Mathur  
*Chairman*

Mr. Amit Kumar

Mr. G.V. Ravishankar

Mr. Haresh Ram Chawla

### Bankers

ICICI Bank Limited

Kotak Mahindra Bank Limited

HDFC Bank Limited

Yes Bank Limited

## Registered Office

Khasra No. 378/2,  
Nemawar Road,  
Near Makrand House,  
Palda, Indore – 452 020,  
Madhya Pradesh  
Tel. +91 731 2439999  
Email: [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in)  
Website: [www.yellowdiamond.in](http://www.yellowdiamond.in)  
CIN: L15311MP2009PLC021746

## Registrar and Share Transfer Agent

Karvy Fintech Private Limited  
Karvy Selenium, Tower B,  
Plot 31&32, Finance District,  
Nanakramguda,  
Serilingampally,  
Hyderabad – 500 032, India  
Toll Free No.: 18003454001  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvyfintech.com](http://www.karvyfintech.com)

## Plant Locations Owned Plants

Khasra No. 378/2,  
Nemawar Road,  
Near Makrand House,  
Palda, Indore – 452 020,  
Madhya Pradesh

North Guwahati, IOC Road,  
Main Road, Gauripur,  
Near Gauripur Thana,  
Amingaon, Dist. Kamrup,  
Guwahati – 781 031, Assam

Plot No. 40-41, Brahmputra  
Industrial Park, Amingaon,  
Guwahati – 781 031, Assam

Survey No.128, Plot No. 1,  
Opposite Super Tech Industries,  
Nikava – 361 162,  
Taluka Kalawad,  
Dist. Jamnagar, Gujarat

Survey No. 65/2, 66/1, 67/2,  
Mhow Road, Piplyalohar Gram  
Mhow, Mhow Cantt S.O.  
Indore, Indore – 453 441,  
Madhya Pradesh

## Contract Manufacturing Plants

No. 260, Bommasandra Jigani  
Link Road, Jigani Hobli,  
Anekal Taluk,  
Bengaluru – 560 105,  
Karnataka

Industrial Area,  
Vasanthnarasapur Kora Hobli  
No. 26B, Tumkur – 572 138,  
Karnataka

Chakundi Dankuni,  
Hooghly – 712 310,  
West Bengal

11, Kanduah Food Park,  
Sankrail, Howrah – 711 302,  
West Bengal

Plot No. 26/A,  
Ozone Industrial Park,  
Near Kerala GIDC,  
Taluka Bavla,  
Ahmedabad – 382 220,  
Gujarat

Plot No. 1282/1283,  
Vadsar - Motibhoyan Road,  
Village Motibhoyan,  
Taluka Kalol,  
District Gandhinagar – 382 721,  
Gujarat

Khasra No. 53,  
Narain Nagar Industrial Estate,  
Bazpur Road, Kashipur,  
Udham Singh Nagar – 244 713,  
Uttarakhand

GAT No.142, Pali Budruk,  
Wavarle, Village Pali Budrak,  
Taluka, Khalapur,  
Raigad – 410 206,  
Maharashtra

Plot No. 3-4, Sugan Vihar,  
Delhi Road, Hisar – 125 001,  
Haryana

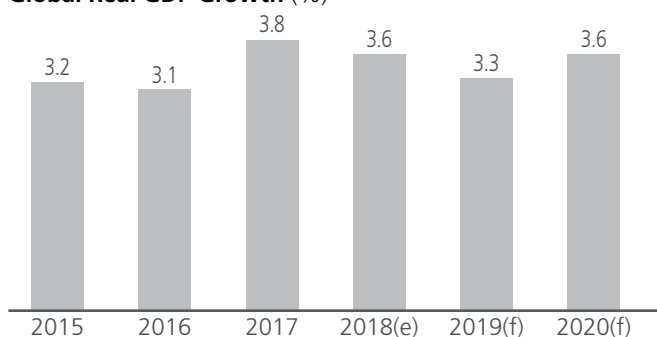
# Management Discussion and Analysis

## ECONOMIC SCENARIO

### Global

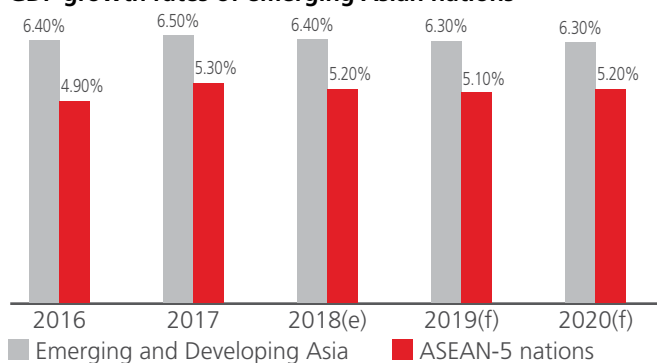
The year under review was a challenging one due to various developments across the globe. The escalation of US-China trade tensions, disruptions to the auto sector in Germany, the uncertainty over Brexit, tighter credit policies in China and gradual financial tightening in developed economies all translated to slower than anticipated global expansion.

### Global Real GDP Growth (%)



Source: IMF World Economic Outlook, April 2019

### GDP growth rates of emerging Asian nations



Source: IMF World Economic Outlook, April 2019

### Key developments

In 2018, apart from the macro-economic factors, the growth momentum was slowed down due to country-specific factors. World economy grew by 3.8% in the first half of 2018 before tapering even more to 3.2% in the second half because of

negative effects of tariff increases enacted in the US and China and softer momentum in Europe, and is expected to carry over in coming quarters. East Asia and Pacific remains one of the world's fastest-growing developing regions. The cyclical upturn in regions with many commodity exporters has lost momentum, partly reflecting a substantial slowdown in some large economies. Growth in regions with large numbers of commodity importers was solid but has decelerated.

### Challenges

China a large contributor to global economic growth for several years is now seeing a deceleration on the back of regulatory and environmental laws being tightened. This softens demand and has a cascading effect across the globe. In Europe too, the slowdown continued particularly on the back of declining business and consumer confidence, financial tightening and widening sovereign spreads. Trade tensions further dented sentiment and consequently the financial markets.

### Outlook

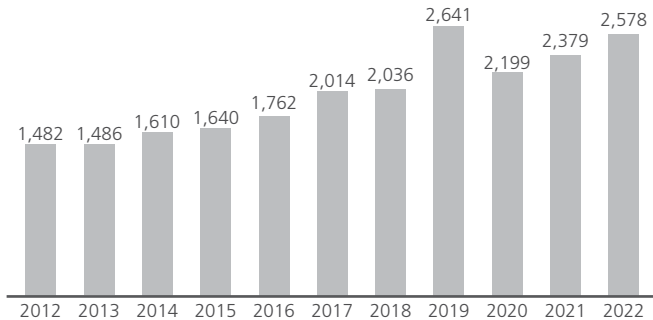
As the challenges continue, the first half of 2019 is also expected to be slow with growth resuming in the second half. Global economic growth is estimated at 3.6% in 2018 and this is expected to slow to 3.3% in 2019 as per World Economic Outlook projections. This is primarily a result of the growth in advanced economies being projected to slow from 2.2% in 2018 to 1.8% in 2019 and 1.7% in 2020. Although, Emerging markets are also expected to achieve slightly slower growth from 4.5% in 2018 to 4.4% in 2019, it will drive a larger proportion of the overall growth.

## INDIAN ECONOMY

Despite global challenges, India's GDP growth has accelerated to 6.8% in FY 2019, from 6.7% in the previous year as per the second advance estimates released by Central Statistics Office. It has been the result of various initiatives and reforms, some of which include the introduction of GST, Make in India, Skill India, Digital India, steps towards the resolution of bank non-performing assets, recapitalisation of banks and FDI liberalisation. On the back of a continuing reform outlook, India is expected to become one of the top three economic powers in the world over the next decade.



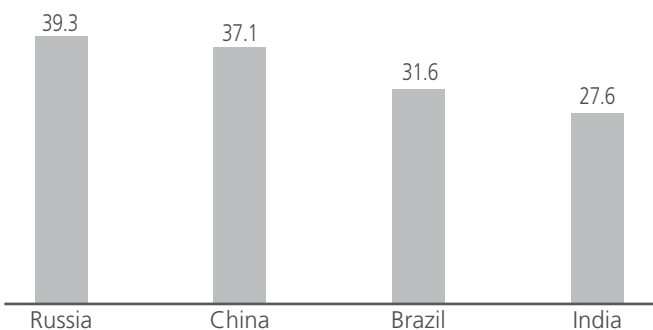
### GDP Per Capita at current prices (US\$)



Source: IBEF – May 2019

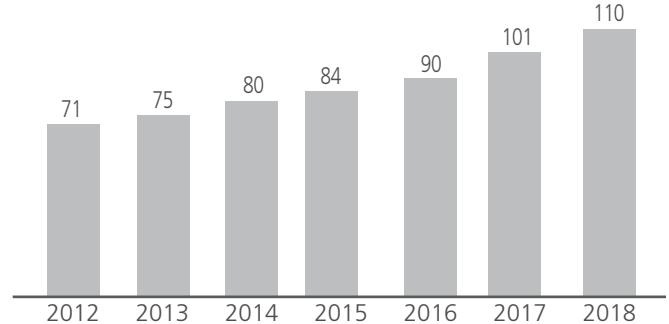
India's GDP per capita at current prices is expected to increase from US\$ 1,482 in 2012 to US\$ 2,578 in 2022. The benefits of these initiatives are beginning to flow in single window clearances and improvement in dealing with construction permits have improved India's ranking by 23 positions to 77<sup>th</sup> rank in 2018 in the World Bank's Ease of Doing Business rankings. All these initiatives are translating to an improving macro environment. Private consumption and investment in India will be boosted by strengthening credit growth followed by lenient monetary policy, and with inflation below the Reserve Bank of India's target. India is a nation of young working-age persons who drive both income and consumption. The median age of the Indian consumer at 27.6 years is amongst the lowest across large emerging economies. India will continue to remain young up to 2030 with a median age of 31 years, compared to 42 years in China as per 'World Economic Forum – India Report'

### Median Age



According to Boston and Consultancy Group (BCG), the domestic consumption in India has increased 3.5 times from ₹ 31 trillion to ₹110 trillion over the last one decade driven by households that earns between ₹ 5 lakh and ₹ 20 lakh per annum. The group estimates the consumption will reach ₹ 335 trillion by 2028 from US\$ 110 trillion in 2018 exhibiting a CAGR of 13.2%. Further India's contribution to global consumption is expected to double to 5.8% by 2020 (Source: IBEF). Moreover, initiatives like GST and an increasing emphasis on transparency will provide a huge fillip to the organised retail segment.

### India's annual consumer expenditure (₹ Trillion)



Source: World Bank, IMF, OECD, CIA World Factbook, BCG Group

Despite all this positivity, however, there are some challenges one needs to be cognizant of. Firstly, employment generation has been weak. The correlation between economic growth and employment has become increasingly tenuous. Unemployment among youth and those with higher education stands at 16%. Additionally conflict at the border further increases tensions. The new government with wide ranging policies and strong vision can turnaround the economy that is having multiple challenges.

### Outlook

Overall, economic growth and policy reforms have led to a strongly positive global sentiment regarding India's future. Consumption remains the primary driver of economic growth. A large proportion of growth is from the rural markets which is increasingly becoming the key engine for consumption. The Government's focus on rural reforms such as MGNREGA and electrification of villages will lead to more money in the hands of the farmer and that will subsequently drive fuel consumption. Other initiatives announced by Government in Interim Budget 2019-20 include creation of the PM Kisaan Fund for small and medium farmers, income support for farmers holding less than two hectares land and increase in tax-free gratuity from ₹ 10 lakh to ₹ 20 lakh. Capital formation which is the best proxy for investment activity in the Country has also increased from 28.6% to 28.9% primarily as a result of the increased capex outlay by the Central Government from ₹ 2.63 lakh crore in FY 2018 to ₹ 3.17 lakh crore in FY 2019. Rising economic growth, changing demographic profile, growing disposable incomes, increasing urbanisation, discounted and promotional pricing, along with the technology and modernisation across all the aspects of value chain, the industry is expected to register robust growth going forward.

### The FMCG sector

The Fast-moving consumer goods (FMCG) sector is the 4<sup>th</sup> largest sector in the Indian economy. Increased awareness, easier access both in terms of product and finance and changing lifestyles are key growth drivers for the sector. While the urban segment has historically been a larger contributor to the sector in more recent times, the rural market has been growing at a much faster pace and is today estimated to contribute close to the same as urban areas.

Consumption patterns in India are seeing an increasing shift to Value for Money. Several factors including accessibility, affordability, awareness, availability of innovative products, increased focus of the government on improving farmer's income, digitisation, and rise in per capita disposable income are all resulting in improved demand and purchasing by the Indian consumers. The Government's focus on agriculture, MSMEs, education, health care, infrastructure, and employment is also expected to help drive growth for the FMCG sector.

The Government has taken several steps to enhance the potential of this sector. Food Processing Industry was accorded Priority sector status under the 'Manufacturing policy 2011' with the objective of improving processing levels to 25% by 2025 from around 10% in FY 2019. As part of this initiative:

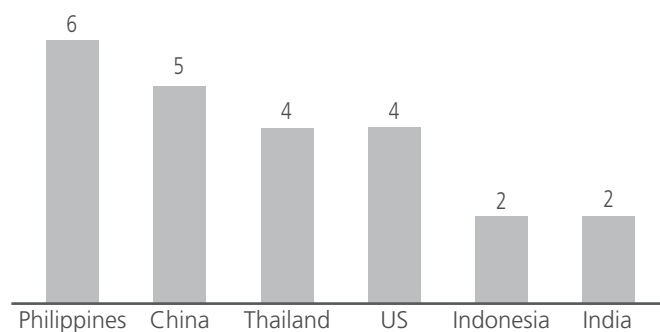
- Loans to food and agro-based processing units and cold chains have been classified as priority sector lending
- 100% FDI has been allowed in all processed foods segments under the automatic route

FMCG companies on their part are investing in energy-efficient plants, improving distribution channels and targeting to reduce costs, while maintaining or enhancing the quality. Companies are spending more time and effort towards understanding consumer tastes and preferences. There is clear understanding that the consumer of today is far more discerning, aware and demanding and consequently those companies that understand consumers and deliver on these expectations are optimally positioned to do extremely well.

### Outlook

The FMCG sector is poised for strong and rapid growth over the next decade. As a percentage of GDP, India's FMCG sector contribution is one of the lowest in the world. This is an indication of the tremendous opportunity given a favourable environment.

### FMCG sector contribution as a % of GDP



Source: Nielsen 2017

In addition to the earlier discussed enablers, increasing urbanisation combined with better access to finance is expected to further drive demand. New initiatives like omni channels, aggressive and innovative promotions and an increasing thrust on consumer convenience all augurs well for the sector. India appears to become the third-largest consumer market, behind US and China, and Indian economy may increase to US\$ 4 trillion by 2025, according to a Boston Consulting Group (BCG) report. By 2030, domestic private consumption which accounts for 60% of the country's GDP, is expected to grow from US\$ 1.5 trillion to US\$ 6 trillion, as stated by World Economic Forum report titled "Future of Consumption in Fast-Growth Consumer Market – India".

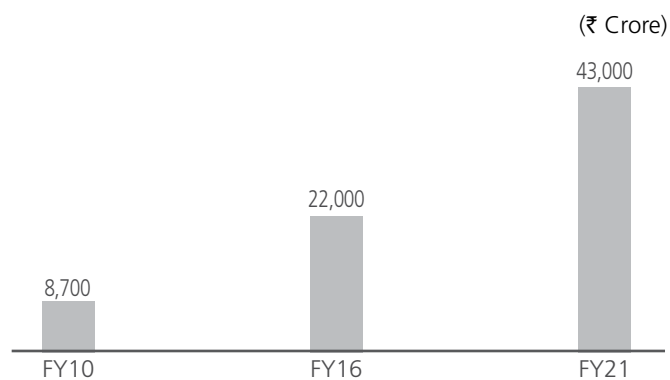
### INDUSTRY OVERVIEW

#### Indian Packaged Food Industry

While India is one of the fastest growing economies, its per capita food consumption is estimated to be close to one-fourth that of the developed economies. This presents a tremendous opportunity for the Indian food industry. Moreover, growing food tourism is encouraging the introduction of new flavours and offerings across the country.

The Indian packaged food and snacks industry comprising chips, extruded snacks and namkeens is estimated at ₹ 55,000 crore and has a predominantly unorganised presence. Organised players are estimated to have a 40% market share amounting to ₹ 22,000 crore and this is expected to grow at a CAGR of 14.3% to reach ₹ 43,000 crore. Within this space, on the back of Policy initiatives and increasing levels of awareness, the share of organised players is bound to increase.

#### Organised Market to grow at a CAGR of 14.3% over 5 years

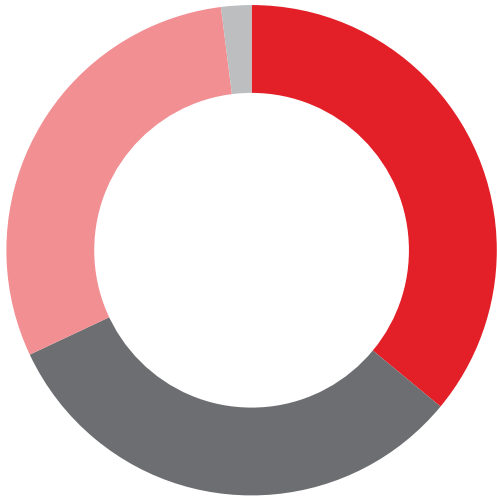


Source: Systematix Research Report March 2019

Within the organised snack market, Namkeen & Traditional contributes the highest share at 36% followed by Extruded snacks 32% and Chips 30%.



### Organised snack market by type of categories

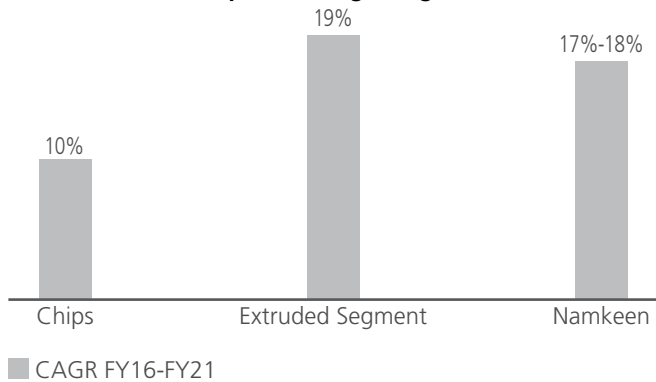


■ Namkeen & Traditional **36%**    ■ Extruded Snacks **32%**  
 ■ Chips **30%**    ■ Others **2%**

Source: Systematix Research Report March 2019

The extruded snacks segment in India has been gaining momentum over the last few years and is expected to register highest growth among all the categories of organised snack market. The organised extruded snack segment comprising of Chulbule, Rings etc. is expected to grow at a CAGR of 19% while Namkeen segment is likely to grow at a CAGR of 17%-18% over FY16 to FY21.

### Extruded snacks to post the highest growth



Source: Systematix Research Report March 2019

### Sweet Snacks

India is the biggest consumer of sweets in the world and snacking is an integral part of their diet. Sweet snacks are more often eaten instantaneously and there is a tremendous untapped growth opportunity lying in this segment. Sweet Snacks constitutes 21% of packaged food sales globally. The growth in Indian Sweet Snacks market is primarily driven by factors such as changing lifestyles of the consumers worldwide, increasing snacking among the youth and new product launches.

This segment is expected to grow tremendously on account of capacity addition and new product launches. Along with relatively higher gross margin, the volume weight ratio for sweets is favourable, leading to lower logistics cost for the company as well as distributors. A combination of higher gross margin and lower freight cost results in higher margin for this category.

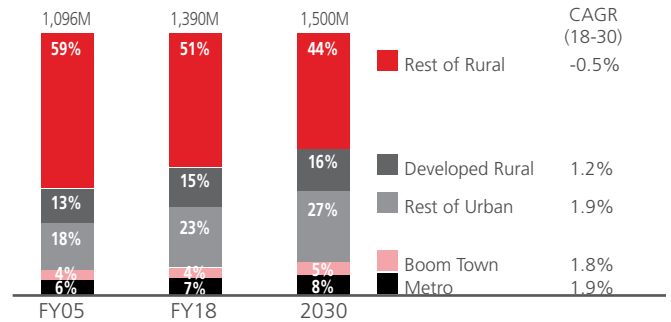
### Factors driving demand for packaged food and snacks

Several factors are expected to boost food consumption as well as drive the demand for packaged food and snacks. Some parameters that further support this argument are depicted below:

### Population growth across urban and rural areas

India's consumption growth is supported by large and growing population which is estimated at 1.39 billion in FY 2018.

### Population distribution across city types (M)

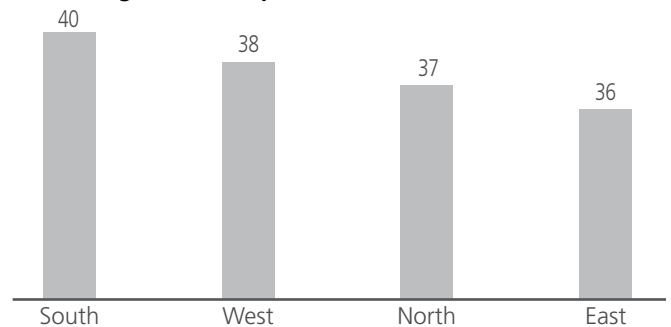


Source: World Economic Forum Report: Future of Consumption in Fast-Growth Consumer Markets – India

### Young population to drive growth

Rural India is still young, although youths are migrating to urban cities for better job opportunities. As per the voting list of 2019, East India is the youngest region with a median age of voters at 37 years.

### Median age of voters pan-India (2019)



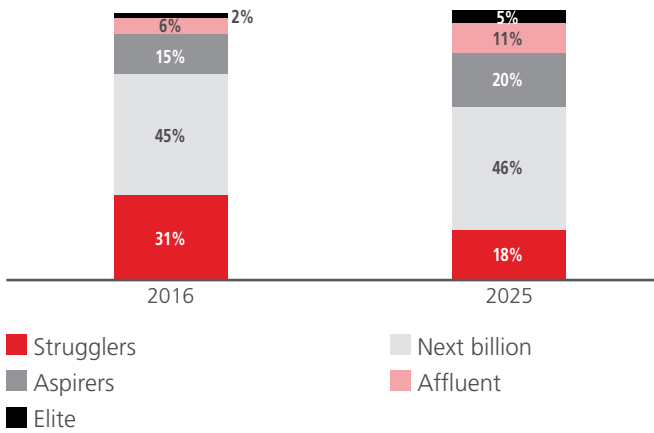
Source: Antique Retail Sector Report January 2019

### Affluence

An expanding working population is leading to higher disposable incomes. This in turn encourages higher spending and a readiness to experiment.

The elite and affluent households are emerging as major drivers of consumption in the world’s fastest-growing major economy. In 2016, the household segment termed “aspirers,” with average annual gross incomes of between US\$ 7,700 and the “next billion” (between US\$ 2,300 and US\$ 7,700), together constituted a massive 62% of the consumption expenditure in India. Rapid economic growth will result in more households moving up the income ladder: “elite” and “affluent” ones, which together form just 27% of the pie, will increase their share to 40% by 2025.

**Rising affluence and disposable income**



Source: HDFC Report on Indian FMCG Sector December 2018

**Urbanisation**

India is the world’s most populous country and is also one of the least urban. As per World Economic Forum Report, 34% of the country’s population lived in urban areas. Urbanisation has resulted in more nuclear families, a greater percentage of women also working and resultantly a preference for convenience and ready snacks and foods. Further, urbanisation is also resulting in increased awareness and a growing presence of e-commerce and organised retail. These factors further drive inclination for packaged foods.

**Occasions and Functions**

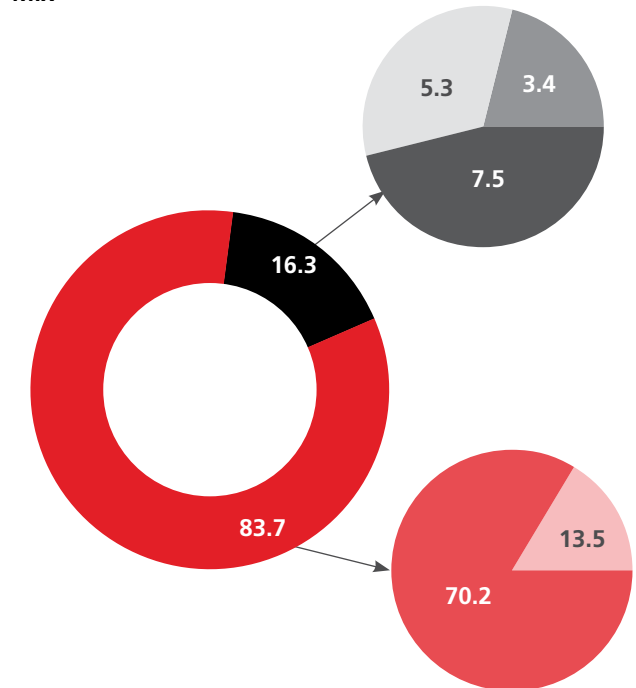
Packaged foods are the most convenient and hygienic option for functions held by various organisations including schools, corporates, etc. At several events, particularly around festivals, packaged foods are becoming the preferred option.

**Distribution Mix**

On distribution front, traditional retail grocers constitute 83.7% of Indian Snacks Industry in 2018 and it is mainly dominated by independent small grocers. Independent small grocers are regarded as important complementary retailers to modern grocery retailers, as they can provide a timely service to local consumers in the neighbourhood. Modern Grocery Retailers comprising of Hypermarkets, Supermarkets and Convenience

Stores constitutes 16.3% of Indian Snacks Market. Modern retailers are gaining prominence by urban households due to convenience and product range.

**Traditional Channels continue to dominate the Distribution Mix**



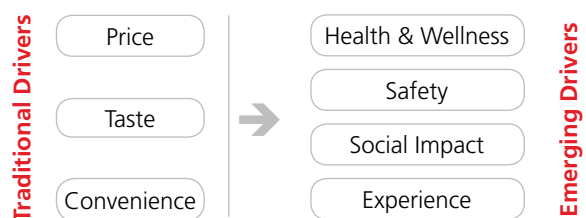
- Traditional Grocery Retailers
- Modern Grocery Retailers
- Independent Small Grocers
- Hypermarkets
- Other Grocery Retailers
- Supermarkets
- Convenience Stores

Source: Edelweiss Research Report May 2019

**Emerging Value Drivers**

Consumers today are seen to have a new set of value drivers, which are more intrinsically linked to their core values and beliefs. Traditional drivers such as price, taste (for food products) and convenience remain critical to making buying decisions. However, new drivers such as social impact, health and wellness, safety, and experience are emerging driven by increasing disposable income, increasing health and wellness consciousness, and awareness about implications of unsustainable social and environmental practices.

**Evolving value drivers in consumer markets**





## Digitalisation and Advertising

Several initiatives by the industry are further driving this segment. Innovative advertisement campaigns on TV and social media have helped towards increasing awareness about new products and ensuring top of mind recall. Additionally, there has been a lot of investment in physical and digital infrastructure. Digitalisation is bringing a lot of transparency in the system and help to stabilise the prices. Over the last few years, there has been a considerable increase in the number of supermarkets which in turn offer greater variety and exciting offers to consumers. Visibility on e-commerce portals has also made a big difference.

## Policy Initiatives

The implementation of GST combined with rising raw material prices is resulting in a gradual shift to the organised sector. Strict FSSAI benchmarks also ensure compliance and greater consumer comfort. Further, in an endeavour to enhance the value addition in the food sector and make it more productive, the FSSAI is increasingly supportive, leading to greater investments in the space.

## Outlook

The growing attractiveness of the Indian packaged foods segment is reflected in increasing corporate activity in terms of mergers and acquisitions and partnerships as well as new investments being made by global and Indian majors. Furthermore, commoditisation is taking a backseat and non-commoditised offerings are being preferred. With the increase in urbanisation, consumers are exposed to new tastes and flavours. Large number of new categories are added frequently in Healthy Food segment due to increasing consumers' emphasis about health consciousness. Industry players are increasingly prepared to invest time and resources towards experimenting and creating options to cater to these tastes as well as identifying suitable formats to ensure they best reach their target audiences. All this is seeing a number of new local and regional brands come to market.

## PRATAAP SNACKS

Prataap Snacks (hereafter to be referred as PSL / the Company/ Prataap) is a leading Indian Snacks Food Company that offers multiple variants of products across categories of Potato Chips, Extruded Snacks, Namkeen all under the highly popular and vibrant Yellow Diamond brand. The Company enjoys a meaningful market share and is one of the leading player in the Rings (extruded snacks) segment. Prataap Snacks has established

itself as a top market player in the organised snacks industry. The Company has created a diverse product portfolio at strategic price points and pack sizes with more than 100 Stock Keeping Units (SKUs) at strategic price points starting from ₹ 5 to ₹ 100 pack sizes.

Prataap started its journey in 2005 with a single facility located at Indore. In the initial years, the Company steadily built a presence in urban markets of Mumbai and Delhi, the key distribution hubs of western and northern India by taking advantage of reverse logistics. The Company then set up a new facility in the East (Guwahati, enjoying tax benefits) and then entered in 3P manufacturing in South India. All these facilities are strategically located to service the different geographies effectively and also reap benefits of being located close to raw material sources. In FY18, the Company entered in the sweet snacks market under the Rich Feast brand. This brand is housed under its wholly-owned subsidiary company, Pure N Sure Food Bites Private Limited.

FY2019 marked the 15<sup>th</sup> year of operations for the Company. Over these 15 years, Prataap Snacks has evolved into a leading snacks food company with a truly pan-India presence. It holds three strong brands including the parent Yellow Diamond brand, Rich Feast for Sweet Snacks and the recently acquired Avadh brand. From a nascent stage, operations today span 14 manufacturing facilities, 240 super stockist, 4,100 distributors and over 1.7 million retail touch points across 27 states selling over 11 million packets a day.

Prataap Snacks is led by a highly accomplished first generation management team whose strength is reflected in building the 'Prataap Snacks' brand into a well-regarded, highly competitive and visible FMCG company. In a market that includes several leading global and domestic majors, Prataap Snacks has consistently delivered to its consumers and established for itself a strong competitive position.

## Product Portfolio

Prataap Snacks' continuous emphasis is on expanding and enhancing its product portfolio by introducing exciting new offerings tailored for its target consumer. PSL has entered Sweet Snacks segment with the launch of three products under the Rich feast brand– (a) Yum Cake, (b) Choco Vanilla Cake, and (c) Cookie cakes in three different flavours - (Chocolate, Vanilla and Tutti fruity). In addition, the Company has added to its vast portfolio of salty snacks with the launch of Nachos and Kurves.

The Company has diverse product offerings across various categories. All the savoury products are marketed under the brand Yellow Diamond.

Product	No. of SKUs	Target Group	BASED ON / KEY INGREDIENT
Potato Chips	7 Flavours	All	Potato
Chulbule	8 Flavours	Youth and Children	Rice Grit & Corn Grit
Rings, Kurves and Puff	8 Flavours	Children	Corn Grit
Namkeen	22 Varieties	All	Gram # Based
Pellet Snacks	4 Flavours	Children	Wheat
Nachos	4 Flavours	All	Corn Tortillas
Yum Cake & Cookie Cake	4 Flavours	Youth and Children	Cake centre filled with cream and Cake with chocolate
Namkeen & Fryums (Avadh)	55 Varieties	All	Namkeen and Fryums catering to local tastes

# Key component is Gram, however, based on the variants, multiple pulses and other condiments might be used

Categories	Prataap's Brands
Extruded Snacks	Yellow Diamond - Chulbule, Rings, Puffs, Wheels, Scoops
Potato Chips	Yellow Diamond
Namkeen	Yellow Diamond
Nachos	Yellow Diamond
Sweet	Rich Feast (Cookie Cake)
Namkeen & Fryums	Avadh

### Key Pillars of Business Strategy

- It is focused on delivering deep value to its consumers through a variety of pack sizes at attractive price points. The emphasis is on offering a value proposition to the price conscious consumer through providing higher grammage. Over time, this initiative has been liked and accepted across the markets it is present in.
- Distribution and reach are non-negotiable parameters for a strong FMCG company. PSL has an expansive and well entrenched distribution network spread across 27 states in India and is one of the fastest-growing companies in the organised snacks industry. Its network comprises more than 240 super stockists and over 4,100 distributors. The products which are available at independent grocers and small retail stores with increasing visibility at supermarkets, hypermarkets and modern trade outlets.
- PSL operates 14 strategically located manufacturing facilities of which 5 facilities (Indore I, Indore II, Guwahati I and Guwahati II and Rajkot I) are owned, while other facilities (Kolkata I & II, Bengaluru I & II and Ahmedabad I & II, Kashipur, Hissar, Karjat) are on contract manufacturing basis. The Company manufactures sweet products in one of its facilities located in Indore, while all other facilities cater to salty products. To enable optimal efficiencies in its distribution and so as to reach out to a more expansive market, the Company is increasingly employing an asset

light 3P (Third-Party manufacturing) model. This model is based on proximity to the target market enabling faster replenishments and is expected to reduce freight cost as a percentage of turnover as the transportation cost is high for some of the savoury products like chips and extruded snacks which are lightweight. Along with lower logistics costs, 3P Model results in lower capex, thus leading to an asset-light model yielding better margins and thereby driving higher ROCE.

- PSL believes its consumers' likes and dislikes are most critical and spend considerable time and effort towards understanding its consumers' tastes. In addition, the Company focuses on strengthening its connect with the customer. To this end, it has taken forward several successful campaigns using various popular cartoon characters like Motu Patlu, Ben 10 and Chhota Bheem towards promoting its offerings. PSL is currently tied up with Viacom18 Media Private Limited, the entity that operates the popular children's entertainment channel 'Nickelodeon' for famous cartoon character "Motu Patlu".
- The thrust is also on continuously innovating and introducing new products and variants. It has most recently forayed into sweet snacks with Cookie Cake (Chocolate, Vanilla and Tutti Fruity flavour), Yum Cake and Choco Vanilla Cake targeted at children.

Sweet snacks is a segment wherein there is tremendous untapped opportunity. This segment is expected to grow significantly on account of capacity addition and new product launches. Along with higher gross margin, the volume weight ratio for sweets is favourable, leading to lower logistics cost for the company as well as distributors. A combination of higher gross margin and lower freight cost results in higher margin for the this category. Further, the Company will leverage its existing distribution channels for selling sweet snacks products.



PSL believes it possesses the necessary consumer understanding, innovative and distribution capabilities to establish a strong presence in this segment. The Company's new launch of products under sweet snacks portfolio especially Cookie Cake is well recognised in the market with the overwhelming response. Consequently, PSL is expanding its sweet snacks production capacity in the existing plant by adding more categories. The growth in this segment will be further accelerated in FY20 driven by launching of new variants like Cup Cake and Tiffin Cake in the coming months.

- f. Better coverage of the National market is another key element of its strategy. Even as the Company builds on its presence in existing strongholds, it is also ensuring that it creates a presence in states and sub-markets across the country where it currently nascent. As a part of this strategy, PSL acquired Avadh Snacks, the fourth-largest salted snacks player in Gujarat, in Q3FY19.

#### Acquisition of Avadh Snacks

During the period under review, Prataap has completed the acquisition of Avadh Snacks Private Limited (Avadh / Avadh Snacks), a leading snacks brand in Gujarat. Avadh Snacks is the fourth-largest player in Gujarat, which has a strong presence in the regional market. Gujarat is home to 4% of India's population while consumes 13% of packaged snacks and an important market for Prataap Snacks to increase its market presence. Avadh's distribution synergies and brand salience will facilitate Prataap in increasing its presence within Gujarat.

The product bouquet of PSL and Avadh are complementary and will create a balanced portfolio with a mix of regional and national flavors & variants across categories. Avadh's product portfolio consists of two regional product categories, namely – Namkeen and Fryums. The Namkeen variety captures the regional taste of Gujarat. The Fryums category is made for children and consists of 21 varieties. These products will have well accepted in other regions as well.

Avadh's distribution cost is lower as it sells directly to distributors (unlike PSL, which has a three-tier system of super stockist, distributors and then retailers). Through this acquisition the Company gains synergy benefit out of economies of scale, rationalisation of operational and distribution cost for the Gujarat.

The Company plans to launch Avadh's products outside Gujarat using strategically located manufacturing facilities and leveraging existing distribution. In addition, the Company will also sell its existing products in Gujarat, leveraging Avadh's distribution expertise.

#### FINANCIAL REVIEW

During the year under review, the Company experienced a few one-time disruptions and faced capacity constraints in some products leading to pressure performance. Despite facing these challenges, the Company reported a double digit growth in revenues during the year. It reported a full year consolidated total revenue of ₹ 1,17,061 lakhs as compared to ₹ 1,01,840 lakhs in FY 2018, a growth of 14.9%. Gross margins were adversely affected during the year because of the rise in price of certain key raw materials such as potato and palm oil. Gross margins declined to 29.9% in FY 2019 from 32.6% in FY 2018. In addition, gross margin for the prior fiscal were boosted by the one-time government grant of nearly ₹ 787 lakhs in the fourth quarter. Adjusting for this, gross margins largely reflect raw material price inflation.

Operating EBITDA for the year was lower due to pressure from gross margins. The Company undertook steps such as reduction in costs, rationalisation of grammages and channel margins to mitigate a larger decline. Operating EBITDA in FY 2019 stood at ₹ 8,322 lakhs from ₹ 8,693 lakhs with margins lower at 7.1% from 8.5% in FY18. The net profit for the year stood at ₹ 4,464 lakhs up 1.0% from ₹ 4,418 lakhs in the last year. The Finance Cost for the year stood at ₹ 85.8 lakhs as compared to ₹ 290.4 lakhs last year. PAT for the year was hit by the increase in depreciation cost that was incurred due to the acquisition of Avadh. The EPS post dilution stood at ₹ 19.03 for the year. The Board recommended a Final Dividend of ₹ 1 per share (FV ₹ 5) for FY 2019.

- Net Worth as on March 31, 2019 stood at ₹ 56,136 lakhs as compared to ₹ 51,954 lakhs as on March 31, 2018.
- The Company has recorded goodwill of ₹ 4,611 lakhs for the year ended March 31, 2019. This accounts for the acquisition of Avadh Snacks Private Limited along with its subsidiary in addition to brand 'Avadh' and its distribution network.
- Cash and Cash Equivalents stood at ₹ 2,867 lakhs as on March 31, 2019 as compared to ₹ 5,303 lakhs as on March 31, 2018.

#### Significant changes in Key Financial Ratios (i.e. change of 25% or more as compared to the immediately previous financial year)

- Debtors Velocity (days) was 10 days for the year under review as compared to 7 days for the previous year, due to slight increase in credit period to the debtors.
- Interest Coverage Ratio improved to 65.9 in FY 2019 as compared to 22.2 in FY 2018. This is mainly attributed to reduction of interest expense to ₹ 85.8 lakhs in FY 2019 as compared to ₹ 290.4 lakhs in FY 2018.

- Debt equity ratio weakened to 0.15 as on March 31, 2019 as compared to 0.01 as on March 31, 2018, due to recognition of Deferred contingent consideration of ₹ 6,858.0 lakhs on acquisition of Avadh Snacks Private Limited.

#### Change in Return on Network

- Return on Network (RoNW) decreased to 8.0% in FY 2019 as compared to 8.5% in FY 2018 due to significant increase in network.

### OUTLOOK

The Company is excited about its future prospects. The Company has in place a strong platform of products, multiple manufacturing facilities located in proximity to key markets, proven consumer understanding, innovative capabilities and a well-entrenched distribution network. Gradually building on its capabilities, reach and operational efficiencies, the Company will strive to have a strong pan-India presence.

#### The growth focus is centred on five pillars

First is to drive continued growth in the established portfolio of salty snacks by better penetrating existing markets and entering new ones. The Company's vibrant Yellow Diamond brand is well accepted and gaining more recognition. The Company is exploring various platforms to leverage this strength to better connect with the consumer. Besides, rising demand for snacks and faster growth in sales through modern trade are likely to bring incremental growth for the sector. The Company is evaluating various platforms so as to enhance visibility and reach out to its consumers.

Second is the growth of the Avadh business within Gujarat and neighbouring districts. Avadh is a fast growing brand and is rapidly gaining market share across Gujarat. There are plans to enhance capacity further and to widen and deepen the distribution reach within and around the Gujarat market.

Third is exploiting synergies for Yellow Diamond products on the Avadh platform and vice versa. The product portfolios of both companies are complementary in nature and the combined portfolio will be even more effective in catering to customer tastes and preferences. As Prataap did not have a significant presence in Gujarat until this acquisition, it can now leverage on the Avadh network to introduce some of its best-selling and most popular Yellow Diamond products. Similarly, the success of Avadh's portfolio of pellet-based products can be introduced to other regions of the country by leveraging on PSL's manufacturing facilities and extensive distribution reach.

In the fourth place, the Sweet Snack portfolio is performing well now and planned product variants which enjoy mass appeal supported by enhanced capacity will allow us to further grow this segment. After working on multiple variants in the past

quarters, the Company has tasted initial success with its current range of products in the sweet snacks segment. The Company feels that it has found a strong balance between quality, taste and value for money with the current sweet snacks portfolio and that is resonating across the territories in which the sweet snack products are being distributed. The focus will be to now take this product range across the entire distribution network and to appropriately scale the product category.

Lastly, the Company is transforming its manufacturing model. 3P manufacturing which works on the principle of being asset-light will be increasingly deployed so as to be more efficient also reach out to a larger number of territories. During the year, Prataap contracted new facilities at Kashipur in Uttarakhand and at Karjat in Maharashtra, taking the total of contracting manufacturing facilities to 9. Recently, the Company has contracted another new facility at Hissar in Haryana for manufacturing Extruded Snacks and Pellets. These facilities will help strengthen the reach in the Western and Northern markets. Contracting new facilities provide strategic advantages of higher flexibility, enabling faster replenishments while derisking and diversifying the production model. These facilities have a few financial advantages as well like reducing the transportation costs, lower CAPEX requirements and accruing higher RoCE. The Company continues to strengthen its reach in the existing markets while constantly working to make deeper penetration. A potent combination of right product, right packaging and right pricing all with optimal quality and supported by a robust operational and supply chain backbone will help drive sustained performance.

### HUMAN RESOURCES

The Company believes its employees are an integral part of the organisation and hence places a lot of importance on their training and skill enhancement. The endeavour at all times is to ensure retention of good talent. As of March 2019, the Company has 865 full time employees in India in addition to contract manpower used at manufacturing facilities. There is no union and there has been no disruption of work at any of the Company's facilities. There are several policies in place including anti-corruption policy, policies against sexual harassment and other policies to make the work environment favourable and conducive for productive work.

PSL recognises people as its most valuable asset and has kept a sharp focus on talent acquisition and retention. During the year under review, the Company has appointed (i) Mr. Om Prakash Pandey, a Fellow Member of the Institute of Company Secretaries of India, New Delhi and a Commerce graduate. He also holds LLB degree and having experience of more than 12 years in the company law, listing compliance and secretarial matters. Before joining, PSL, his last association was with Universal Cables Limited, M.P. Birla Group. (ii) Mr. D.V. Praveen Kumar, Commerce graduate having more than 31 years of learning & performing experience in the field of Beverages & Foods, FMCG,





Dairy, Confectionaries, Cosmetics and edible. He has enhanced his competency skills and learnings through management development programmes in IIM Kolkata, IIM Lucknow & IRMA Anand. Before joining PSL, his last association was with Pepsico for more than 21 years. (iii) Mr. Rishabh Singh, PGDM from IIM Indore and B.Tech from VIT University. He has sales management experience of more than 3 years in Pidilite Industries, Mumbai. Prior to joining PSL, he was working in his own startup in the e-commerce/fashion industry for the past 3 years. The Company also hires Management Trainee from IIM, Indore.

PSL also has in place an Employee Stock Appreciation Rights Plan (ESARP) which allows the permanent employees to become owner of the Company by way of giving shares based on their eligibility criteria. This ensures employee participation in the growth of the Company.

### **Employee Stock Appreciation Rights Plan 2018**

The Company has framed Prataap Employees Stock Appreciation Rights Plan 2018 (“ESARP 2018”) pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014. The objectives of the ESARP 2018 are to reward key and senior Employees for their association with the Company, their performance as well as to attract, retain and reward Employees to contribute to the growth and profitability of the Company. The Company intends to use ESARP 2018 to attract and retain talent in the organisation. Through ESARP 2018, the Company intends to offer an opportunity of sharing the value created with those Employees who have contributed or are expected to contribute to the growth and development of the Company.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility Committee and adopted a CSR policy pursuant to which it undertakes its CSR activities. Its main aim is to lay out principles that can be followed to make CSR a key business process for sustainable development. The aim is to establish the Company image as a reliable, credible, responsible business partner by making a positive difference in the society where the Company operates its business. During the year under review, the Company has undertaken CSR activities related to the activities, inter-alia, promoting education, animal welfare, health care and improving livelihood of socially, economically backward and differently abled people.

### **RISK FACTORS AND MITIGATION STRATEGIES**

**Increasing competition:** The Company is cognizant that it is competing with several large and small companies both from India and overseas. Many of these companies may have larger budgets and reach. In order to consistently stay ahead of the curve, PSL places significant emphasis on understanding

consumer tastes and preferences. Being a niche Company, it understands the consumer’s tastes and dislikes far better and is better positioned to leverage this awareness. These learnings are used to innovate and introduce products specifically suited to the tastes of the Indian consumer.

The introduction of lower price SKUs at ₹ 5 per unit for better growth in sales volume and the usage of contract manufacturing facilities are other examples of PSL best understanding the consumer and driving value and efficiencies.

**Sustaining brand name:** The Yellow Diamond brand is a well-established name in the snacks space. It is however possible that any negative event can hurt the brand and consequently the Company significantly. In order to effectively respond to this risk, the Company has put in place an efficient quality control system.

**Raw material price fluctuations:** Raw material and Packing material costs (including potatoes, edible oil, Packaging laminates) forms more than 60% of total revenues and any disruption in either availability or pricing of the same will have a material impact on the Company’s operations.

PSL is continuously evaluating to minimise the impact of adverse change in either availability or price of raw materials. The Company is gearing up its infrastructure so as to be able to procure material in bulk and also uses cold storage facilities to ensure uninterrupted supply of raw material throughout the year. Further, the Company is expanding its procurement areas to ensure continuous supply of raw material. PSL also enters into forward contracts to hedge the price fluctuations when feasible.

### **INTERNAL CONTROL SYSTEM**

The Company has put in place adequate internal control systems to ensure safety of all the assets and authorisation, recording and correct reporting of all transactions. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that the systems are adequate. Management continuously reviews the internal control systems and procedures to ensure the efficient conduct of business.

### **CAUTIONARY STATEMENTS**

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, like regulatory changes, local political or economic developments and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Prataap Snacks Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

# Board's Report

## To the Members,

Your Board of Directors ("Board") is pleased to present the 10<sup>th</sup> Board's Report of Prataap Snacks Limited ("Prataap" or "the Company") for the financial year ended 31<sup>st</sup> March, 2019.

## FINANCIAL HIGHLIGHTS & STATE OF COMPANY'S AFFAIRS

The Company maintains the positive growth during the year under review. The standalone income from operations of the Company increased to ₹ 1,06,891.66 lakhs compared to ₹ 1,01,159.44 lakhs in the previous year, registering a growth of 5.67%. Net profit after tax decreased to ₹ 4,646.49 lakhs from ₹ 4,878.25 lakhs representing a decline of 4.75% primary on account of inflation in key raw material prices which was partly mitigated by measures to reduce costs, rationalise trade margin and channel discount. The consolidated income from operations of the Company increased to ₹ 1,17,060.96 lakhs compared to ₹ 1,01,840.27 lakhs in the previous year, registering a growth of 14.95%. Net profit after tax increased to ₹ 4,464.13 lakhs from ₹ 4,417.73 lakhs representing a growth of 1.05%. The financial performance of the Company on standalone and consolidated basis is as under:

Particulars	(₹ in lakhs)			
	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	1,06,891.66	1,01,159.44	1,17,060.96	1,01,840.27
Profit Before Tax	5,953.16	6,779.50	5,565.97	6,166.06
Less: Current Tax	1,321.96	1,526.82	1,414.18	1,529.89
Less: Deferred Tax	(15.29)	374.43	(312.34)	218.44
<b>Net Profit after tax</b>	<b>4,646.49</b>	<b>4,878.25</b>	<b>4,464.13</b>	<b>4,417.73</b>
Other Comprehensive Income	9.51	5.75	12.43	6.78
Surplus brought forward	13,583.28	8,699.28	12,486.48	8,061.97
Less: Amount utilised towards payment of dividend (including dividend distribution tax)	(282.74)	-	(282.74)	-
<b>Surplus carried forward</b>	<b>17,956.54</b>	<b>13,583.28</b>	<b>16,680.30</b>	<b>12,486.48</b>

Your Company deliver value products that are either priced lower or offer more per pack. Your Company have been able to build a strong business, being ahead of the curve in creating the right taste in innovation and giving value to the customer. During the year under review, the Company maintained the positive growth trend with improved distribution reach and new product launches.

During the under review year, your Company has successful launched into sweet snacks segment and acquired Avadh Snacks Private Limited, a Gujarat based namkeen maker. Avadh has a strong presence in Gujarat and is now also expanding to adjacent markets. This has been a maiden acquisition in the Company's history. We plan to take the portfolio of Avadh outside Gujarat by leveraging our distribution network and manufacturing capacity. The Company's product portfolios are complementary, which will aid growth. And also, the acquisition finally provides us with an entry into the lucrative Gujarat market, which is currently dominated by regional players.

Our foray into Sweet Snacks segment has delivered positive results and the Avadh portfolio delivered healthy performance, but the growth of our organic Yellow Diamond portfolio was muted as we faced certain challenges relating to one of the products and capacity constraints. Compression in the EBITDA margin was partly mitigated by measures to reduce costs, rationalise trade margins and channel discount. Profit of the year is marginally higher despite lower EBITDA and increased depreciation.

Your Company believe that the culture of good governance stems from the top. Over the years, we have cultivated a competent leadership team with deep domain expertise who are guided by an active, capable, diligent and accomplished Board, which sets the tone for good corporate governance.



We have been capturing new segments and categories every year. Starting with chips, we entered extruded snacks and namkeen and we are now entering sweet snacks. We are convinced that the sweet snack category has a large potential which is currently not catered too. We also expect to garner a higher market share as more and more consumers shift from the unorganised to organised segment of the packaged snacks category in India. This, coupled, with our new launches and distribution expansion, we have enough drivers to back our growth momentum.

Moving ahead, we remain focused on delivering deep value to our consumers through introduction of latest snacks at a variety of pack sizes with attractive prices. We will continue to build on our presence in the existing markets and also grow our presence in untapped states and sub-markets across the country. We also aim to take advantage of the macro-economic factors and trends in the Indian snacks market in the proposed new geographies.

#### UTILISATION OF INTIAL PUBLIC OFFER (IPO) PROCEEDS

The disclosure in compliance with the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding utilization of IPO proceeds (including pre IPO proceeds) is as under:

(₹ in lakhs)					
Particulars	Planned utilisation	Variation in the Object as mentioned in the prospectus (Approved by the shareholders at the Annual General Meeting of the Company held on September 28, 2018 by way of Special Resolution in terms of provisions of Section 13 and 27 of the Companies Act, 2013 read with rules made thereunder and applicable SEBI Regulations)	Revised Planned utilisation	Utilised upto 31 <sup>st</sup> March, 2019	Unutilised as on 31 <sup>st</sup> March, 2019
Repayment/pre-payment in full or part of certain loans availed by the Company	5,098.20	-	5,098.20	5,098.20	-
Funding capital expenditure requirements in relation to expansion (including through setting up of a new production line and construction of building) and modernization at certain of our existing manufacturing facilities.	6,699.80	(-) 3,952.00	2,747.80	954.50	1,793.30
Investment in subsidiary, Pure N Sure, for repayment/pre-payment of certain borrowings availed by our subsidiary.	2,937.00	-	2,937.00	2,937.00	-
Marketing and brand building activities	4,000.00	-	4,000.00	1,868.71	2,131.29
General Corporate Purposes	5,012.90	-	5,012.90	5,012.90	-
Strategic investment/ acquisition in Avadh Snacks Private Limited	-	3,952.00	3,952.00	3,952.00	-
<b>Total</b>	<b>23,747.90</b>		<b>23,747.90</b>	<b>19,823.31</b>	<b>3,924.59</b>

The shareholders at the Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 had approved the variation in the following object as stated in the Prospectus:

- Funding capital expenditure requirements in relation to expansion (including through setting up of a new production line and construction of a building) and modernization at certain of our existing manufacturing facilities.

As stated in the Prospectus, a total amount of ₹ 6,699.80 lakhs was proposed to be utilized for the above object. However, after variation duly approved by the shareholders, an amount of ₹ 2,747.80 lakhs is being utilized for the above mentioned object and the remaining amount of ₹ 3,952.00 lakhs has been utilized for strategic investment/acquisition of Avadh Snacks Private Limited during the year under review.

### DIVIDEND

After considering the Company's profitability, free cash flow and overall financial performance, the Board of Directors of the Company is pleased to recommend a Dividend of ₹ 1/- per equity share of face value of ₹ 5/- each (i.e. 20%) for the financial year ended 31<sup>st</sup> March, 2019. The Dividend Distribution Policy of the Company is uploaded on the Company's website viz. [www.yellowdiamond.in](http://www.yellowdiamond.in).

### RESERVES

For the financial year ended 31<sup>st</sup> March, 2019, no amount has been proposed to carry to General Reserve. However, ₹ 4,373.26 lakhs has been taken to surplus in the statement of profit and loss.

### SHARE CAPITAL

During the year under review, there is no change in the authorized, issued, subscribed and paid-up equity share capital of the Company. The authorized share capital and issued, subscribed & paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2019 is ₹ 1,500.00 lakhs and ₹ 1,172.65 lakhs respectively.

### DEPOSITS

Your Company has not accepted any public deposits within the meaning of Section(s) 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

### CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis, Report on Corporate Governance and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted the Corporate Social Responsibility Committee in accordance with Section 135(1) of the Companies Act, 2013, the details of which have been provided in the Corporate Governance Report forming part of the Annual Report. The Annual Report on CSR activities as required to be given under Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in Annexure-I which is annexed hereto and forms a part of the Board's Report. The Corporate Social Responsibility Policy of the Company is available on the website of the Company i.e. [www.yellowdiamond.in](http://www.yellowdiamond.in). During the year under review, there was no change in the Policy.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Companies Act, 2013, your Board of Directors confirm the following:

- in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and the profit and loss of the Company for the year ended on that date;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## **RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Your Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which your Company pursues its objectives. Additionally, the Risk Management Committee and the Board of Directors assess the implementation of risk management and risk mitigation measures through their review of potential risks which could negatively impact the operations including additional oversight in the area of financial risks and controls, besides inherent risks associated with the products dealt with by the Company. The major risks identified are systematically approached through mitigating actions on continual basis.

The Risk Management Committee has been entrusted with the responsibility to assist the Board in overseeing and recommending/approving the Company's enterprise risk management framework.

In addition, the policies and procedures have been designed with an intent to ensure safeguarding of Company's assets, the prevention and detection of frauds and errors, the accuracy in completeness of the accounting records and the timely preparation of reliable financial information.

Your Company's system and process relating to internal controls and procedures for financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable Indian Accounting Standards, the Companies Act, 2013 and rules framed thereunder and all other applicable regulatory/statutory guidelines, etc.

Your Company's internal control systems are supplemented by an extensive program of internal audit by an independent firm of Chartered Accountants. Internal audits are conducted at regular intervals and a summary of the observations and recommendations of such audits are placed before the Board Meeting.

## **HUMAN RESOURCE**

People remain the most valuable asset of your Company. Your Company follows a policy of building strong teams of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different functions and is taking effective steps to retain the talent. It has built an open, transparent and meritocratic culture to nurture this asset.

Your Company recognizes people as its most valuable asset and your Company has kept a sharp focus on Employee Engagement. Your Company's Human Resource is commensurate with the size, nature and operations of your Company. The Company's Industrial Relations remained cordial and harmonious throughout the year.

## **DIRECTORS**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. G. V. Ravishankar (DIN: 02604007), Director will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company. The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing Annual General Meeting. The brief resume and other information/details of Mr. G. V. Ravishankar seeking re-appointment, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) will be given in the Notice of the ensuing Annual General Meeting, which will be sent to the shareholders along with Annual Report.

Mr. Apoorva Kumat (DIN: 02630764) has been appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> November, 2018 pursuant to Sections 149 and 161 of the Companies Act, 2013 read with the rules framed thereunder and Article 58.1 of the Articles of Association of the Company and holds the office upto the date of the ensuing Annual General Meeting. Further, pursuant to the provisions of Sections 2(94), 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder read with Schedule V to the Act, he has also been appointed as Whole-time Director, designated as Executive Director (Operations) of the Company with effect from 2<sup>nd</sup> November, 2018 subject to the approval of the members of the Company. Mr. Apoorva Kumat is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Nomination & Remuneration Committee at its Meeting held on 21<sup>st</sup> May, 2019 has recommended the appointment of Mr. Apoorva Kumat as Director, liable to retire by rotation. The Board recommends the appointment of Mr. Apoorva Kumat as Director, liable to retire by rotation and Whole-time Director designated as Executive Director (Operations) for the consideration and approval of the members of the Company.

Mr. V. T. Bharadwaj (DIN: 02918495) has been appointed as an Additional Director (Non-Executive) of the Company with effect from 2<sup>nd</sup> November, 2018 pursuant to Sections 149 and

161 of the Companies Act, 2013 read with the rules framed thereunder and Article 58.1 of the Articles of Association of the Company and holds the office upto the date of the ensuing Annual General Meeting. Mr. V.T. Bharadwaj is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Nomination & Remuneration Committee at its Meeting held on 21<sup>st</sup> May, 2019 has recommended the appointment of Mr V.T. Bharadwaj as Director of the Company. Further, as Mr. V.T. Bharadwaj meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, on the recommendation of the Nomination & Remuneration Committee, at its meeting held on 21<sup>st</sup> May, 2019, has considered and recommended the appointment of Mr. V. T. Bharadwaj as an Independent Director of the Company for a period of five (5) consecutive years with effect from 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2024, for the consideration and approval of the members of the Company.

### KEY MANAGERIAL PERSONNEL

The Board upon the recommendation of the Nomination & Remuneration Committee, at its Meeting held on 2<sup>nd</sup> November, 2018 has appointed Mr. Om Prakash Pandey (FCS: 7555) as the Company Secretary & Compliance Officer of the Company with effect from 2<sup>nd</sup> November, 2018.

Mr. Rishabh Kumar Jain, who was appointed as Company Secretary & Compliance Officer of the Company has resigned from the services of the Company with effect from 2<sup>nd</sup> November, 2018.

Mr. Amit Kumat, Managing Director & Chief Executive Officer, Mr. Apoorva Kumat, Executive Director (Operations), Mr. Sumit Sharma, Chief Financial Officer and Mr. Om Prakash Pandey, Company Secretary & Compliance Officer are the key managerial personnel of the Company.

### DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of your Company viz. Dr. Om Prakash Manchanda, Mrs. Anisha Motwani, Mr. Haresh Ram Chawla, Mr. Vineet Kumar Kapila and Mr. Chetan Kumar Mathur have individually given a declaration pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance to the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the declaration(s) of Independent Directors, the Board of Directors recorded its

opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified under the governing provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### MEETINGS OF BOARD AND COMPOSITION OF COMMITTEES

During the financial year ended 31<sup>st</sup> March, 2019, six (6) Board Meetings were held on 16<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 22<sup>nd</sup> August, 2018, 01<sup>st</sup> October, 2018, 02<sup>nd</sup> November, 2018 and 05<sup>th</sup> February, 2019.

As required under Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the rules framed thereunder, the composition and meetings of the Audit Committee were in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of which alongwith composition, number of meetings of all other Board Committees held during the year under review and attendance at the meetings are provided in the Report on Corporate Governance, forming a part of the Annual Report. During the year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors.

### PERFORMANCE EVALUATION OF BOARD, COMMITTEES & DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Note on Board evaluation issued by SEBI, the Board of Directors of your Company carried out the formal annual evaluation of its own performance and that of its committees and individual directors. The process was conducted by allowing the Board to engage in candid discussions with each Director with the underlying objective of taking best possible decisions in the interest of the Company and its stakeholders. The Directors were individually evaluated based through structured questionnaire to ascertain feedback on parameters which, interalia, comprised of level of engagement and their contribution to strategic planning and other criteria based on performance and personal attributes of the Directors. During the process of evaluation, the Board of Directors also considered the criteria for evaluation of performance of Independent Directors and the Board of Directors formulated by the Nomination and Remuneration Committee and as envisaged in the Guidance Note on Board evaluation issued by SEBI. A statement indicating the manner in which formal annual evaluation has been made by the Board of Directors is given in the Report on Corporate Governance which forms a part of the Annual Report.



## **SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy which, inter alia, deals with the criteria for identification of members of the Board of Directors and selection/appointment of the Key Managerial Personnel/Senior Management Personnel of the Company and their remuneration. The Nomination and Remuneration Committee recommends appointment of Directors based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee, in addition to ensuring diversity of race and gender, also considers the impact the appointee would have on Board's balance of professional experience, background, view-points, skills and areas of expertise. The salient features of the Remuneration Policy are stated in the Report on Corporate Governance, which forms a part of the Annual Report. The Nomination and Remuneration Policy is uploaded on the website of the Company and the weblink of the same is <http://www.yellowdiamond.in/wp-content/uploads/2018/08/Nomination-and-Remuneration-Policy.pdf>. During the year under review, there was no change in the Policy.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In terms of the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a Vigil Mechanism which includes formulation of the Whistle Blower Policy for its directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud that could adversely impact your Company's operations, business performance and / or reputation. No employee has been denied access to the Vigilance Officer as well as Chairman of the Audit Committee. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. The policy is available on the website of the Company viz [www.yellowdiamond.in](http://www.yellowdiamond.in).

## **AUDITORS**

M/s S R B C & CO LLP, Chartered Accountants (Firm Registration No.324982E/E300003), were appointed as Statutory Auditors of the Company to hold office until the conclusion of the ensuing 10<sup>th</sup> Annual General Meeting of the Company. Since M/s S R B C & CO LLP, Chartered Accountants have been functioning as

Statutory Auditors of the Company since last eight consecutive years, the Board of Directors has unanimously agreed to the recommendation of the Audit Committee, and recommends re-appointment of M/s S R B C & CO LLP, as Auditors of the Company for another term of two consecutive years from the conclusion of the ensuing 10<sup>th</sup> Annual General Meeting till the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company in accordance with the provisions of Section 139 read together with other provisions of Chapter X of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. A consent cum certificate has been received from them to the effect that their re-appointment as Auditors, if made, would be in accordance to the provisions of Section 139 and 141 of the Companies Act, 2013 and rules framed thereunder.

## **AUDITORS' REPORT**

The Auditors' Report on the financial statements of the Company form a part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer in the Auditors' Report, which calls for any further comments or explanations. Further, during the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no details is required to be disclosed pursuant to Section 134(3)(ca) of the Companies Act, 2013.

## **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Ritesh Gupta & Co., Company Secretaries in practice were appointed to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2019. The Report of the Secretarial Auditor for the year ended 31<sup>st</sup> March, 2019 is given in Annexure-II, which is annexed hereto and forms a part of the Board's Report. No qualification or observation or other remarks have been made by Secretarial Auditor in the Secretarial Audit Report, which calls for any comments or explanations.

## **INTERNAL AUDITORS**

M/s. Grant Thornton India LLP, Chartered Accountants are the Internal Auditors of the Company.

## **COST AUDITOR**

The provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company. Hence, the maintenance of the cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 is not required and accordingly, such accounts and records are not made and maintained. The Company has not appointed any Cost Auditor during the year.

### COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with Secretarial Standard on Meetings of the Board of Directors (SS-1), Secretarial Standard on General Meetings (SS-2) and Secretarial Standard on Dividend (SS-3) issued by the Institute of Company Secretaries of India.

### PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

All related party transactions that were entered into by the Company during the financial year under review were on an arm's length basis and in the ordinary course of business. Further, during the year under review, no material related party transactions were entered into by the Company with the related parties. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts), Rules, 2014 is not applicable. The details of related party transactions are provided in the standalone financial statements and hence not repeated herein for the sake of brevity.

The Company has formulated the Related Party Transactions Policy which is available on the website of the Company and can be accessed through web link <http://www.yellowdiamond.in/wp-content/uploads/2018/01/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf>.

### SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

During the year under review, your Company has acquired 4,99,688 (76.88%) equity shares of Avadh Snacks Private Limited ("Avadh"), a Gujarat based company. By acquiring 4,99,688 (76.88%) equity shares of Avadh Snacks Private Limited, your Company has also indirectly acquired control over Red Rotopack Private Limited ("Red Rotopack"), a wholly owned subsidiary of Avadh. With this acquisition, Avadh Snacks Private Limited and Red Rotopack Private Limited have become an unlisted material subsidiary and subsidiary, respectively, during the year under review.

Subsequent to the above acquisition, the Company has also subscribed and purchased 1,01,563 equity shares of Avadh in its Rights Issue.

Avadh is engaged in the manufacturing and selling of branded packaged snacks under brand name "Avadh". Avadh has a well-diversified and strong product portfolio for namkeens like bhujia, chevda, fafda, gathiya, etc. and extruded pellets like wheels,

cups, pasta, etc. with strong presence in the state of Gujarat and expanding to Maharashtra and Rajasthan. Red Rotopack has been incorporated for a backward integration to manufacture and supply packaging material for Avadh's products.

Accordingly, as on 31<sup>st</sup> March, 2019, your Company has three subsidiaries. viz. Pure N Sure Food Bites Private Limited, Avadh Snacks Private Limited and Red Rotopack Private Limited. The Company does not have any associate or joint venture. Both, Pure N Sure Food Bites Private Limited and Avadh Snacks Private Limited have achieved sustained growth in business with improved financial performance during the year under review. After acquisition, the Company has brought a synergy in sourcing the packaging material, manufactured and supply by Red Rotopack and used by Avadh for its products and therefore the production of the packaging material is reduced in Red Rotopack.

During the year under review, the Board of your Company has approved the Scheme of Amalgamation of Pure N Sure Food Bites Private Limited (wholly-owned subsidiary) with the Company. The Company has filed the necessary application to the National Company Law Tribunal, Ahmedabad Bench. The amalgamation is under process.

A statement containing the salient features of the financial statements of subsidiary companies as prescribed under the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is attached with financial statements. The particulars of performance of financial position of the aforesaid subsidiaries is provided as part of the consolidated financial statements and hence not repeated herein for the sake of brevity.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder read with Indian Accounting Standards specified under the Companies (Indian Accounting Standards), Rules, 2015, the Consolidated Financial Statements of the Company as of and for the year ended 31<sup>st</sup> March, 2019, forms a part of the Annual Report.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments pursuant to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements read together with Notes annexed and forming an integral part of the financial statements and hence not repeated herein for the sake of brevity.





## **DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL, ETC.**

As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Statement of disclosure of remuneration and such other details as prescribed therein is given in Annexure-III, which is annexed hereto and forms a part of the Board's Report.

## **PARTICULARS OF EMPLOYEES**

The statement of particulars of employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-III, which is attached hereto and forms a part of the Board's Report.

## **EXTRACT OF ANNUAL RETURN**

An Extract of Annual Return as per Section 92(3) of the Companies Act, 2013 is given in Annexure-IV, which is annexed hereto and forms a part of the Board's Report. The same is uploaded on the website of the Company [www.yellowdiamond.in](http://www.yellowdiamond.in).

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure-V, which is attached hereto and forms a part of the Board's Report.

## **INTERNAL COMPLAINT COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has constituted an Internal Complaints Committee pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. During the year under review, there were no cases filed or reported pursuant to the provisions of the said Act.

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions or events on these items during the year under review:

1. Material changes and/ or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this Report.
2. Significant or material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.
3. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-time Directors of the Company.
4. During the year under review, the Company has not bought back any of its securities/ not issued any sweat equity shares/ not provided any Stock Option Scheme to its employees / not issued any equity shares with differential rights.
5. There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013 either to the Audit Committee, the Board of Directors or to the Central Government.
6. There was no revision of the previous year's financial statements during the financial year under review.

## **ACKNOWLEDGEMENT**

The Board desires to place on record its grateful appreciation for continued co-operation received from the banks, government authorities, customers, vendors and shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation to all the employees of the Company for their unstinted commitment and continued contribution in the performance of the Company.

Yours faithfully,

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

**Amit Kumar**  
Managing Director and  
Chief Executive Officer  
DIN: 02663687

**Apoorva Kumar**  
Executive Director  
(Operations)  
DIN: 02630764

Place: Indore  
Date: 21<sup>st</sup> May, 2019

## ANNEXURE-I

## Annual Report on CSR Activities

(Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014)

### 1. Brief Outline of Company's CSR Policy and a web-link to CSR Policy on Company's website:

Corporate Social Responsibility (CSR) forms an important part of the Prataap's overall philosophy of giving back to the society. The Company is committed to bring about positive changes in the society it operates.

As per the provisions of the Companies Act, 2013 and rules framed thereunder, the Company has formulated its CSR Policy with the vision to actively contribute to spreading education by promoting employment, enhancing vocation skills especially among children and livelihood enhancement project(s), protecting environment and conservation of natural resources, public health and rural development, etc. The CSR Policy is stated and disclosed on the website of the Company and may be accessed from the weblink <http://www.yellowdiamond.in/investor-relations>

### 2. Composition of the CSR Committee:

Name of members	Category	Position
Mrs. Anisha Motwani	Independent Director	Chairperson
Mr. Hareesh Ram Chawla	Independent Director	Member
Mr. Arvind Mehta	Executive Director	Member
Mr. Amit Kumar	Executive Director	Member
Mr. V.T. Bharadwaj	Non-Executive Director	Member

### 3. Average net profit of the company for last three financial years: ₹ 4062.86 lakhs

### 4. Prescribed CSR expenditure (two percent of the amount as per item 3 above): ₹ 81.26 lakhs

### 5. Details of CSR spent during the financial year 2018-19:

- Total amount spent during the financial year: ₹ 59.42 lakhs
- Amount unspent, if any: ₹ 21.84 lakhs. The same is carried forward in next financial year 2019-20 in line with General Circular No. 01/2016 dated 12<sup>th</sup> January, 2016 issued by the Ministry of Corporate Affairs, Government of India.
- Manner in which the amount spent during the financial year is detailed below:

(Amount ₹ in lakhs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
					Subheads: (1) Direct expenditure on Projects or programs.	(2) Overheads:		
					Direct	Overhead		
1	Medical equipment, Medicine for underprivileged persons and Health check program	Health care	Indore, Madhya Pradesh	24.48	19.48	-	19.48	Parpeeda Har Welfare Society Samity. Registered Society, Indore; Sahayata, Public Trust, Indore; Child Care & Education Society, Registered Society, Jabalpur; and Indore Eye Hospital, Registered Society, Indore



(Amount ₹ in lakhs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
					Subheads: (1) Direct expenditure on Projects or programs. (2) Overheads:			
					Direct	Overhead		
2	Animal welfare	Animal Welfare	Indore, Madhya Pradesh	7.44	7.44	-	26.92	Animal & Bird Welfare Society, Registered Society, Indore
3	Education and livelihood of disabled children, women, socially and economically backward people	Education and livelihood of disabled and socially and economically backward people	Indore, Madhya Pradesh	32.50	32.50	-	59.42	Sri Devi Matosshri Samajik Seva Sansthan (Anurabh), Registered Society, Indore; Ved Vignan Maha Vidya Peeth, Registered Trust, Bengaluru; Sewadham Ashram, Registered Trust, and Mahesh Drishtiheen Kalyan Sangh, Registered Trust, Indore

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:**

The Company could not spend entire two percent of average net profits of the last three financial years keeping in the view to make contribution to areas where it can make ample impact and would attempt to find out more areas, where the spending would really make difference and moving forward the Company will endeavor to spend the entire amount approved for CSR activities. In line with General Circular No. 01/2016 dated 12<sup>th</sup> January, 2016 issued by the Ministry of Corporate Affairs, Government of India, ₹ 21.84 lakhs remained unspent is carried forward in next financial year 2019-20.

**7. Responsibility statement by CSR Committee:**

The Company's CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

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

**Amit Kumat**  
Managing Director and  
Chief Executive Officer  
DIN: 02663687

**Apoorva Kumat**  
Executive Director  
(Operations)  
DIN: 02630764

**Anisha Motwani**  
Chairperson  
CSR Committee  
DIN: 06943493

Place: Indore  
Date: 21<sup>st</sup> May, 2019

## ANNEXURE-II

## FORM No. MR-3

**Secretarial Audit Report**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**For the financial year ended 31<sup>st</sup> March, 2019**

To  
The Members,  
**Prataap Snacks Limited**  
Khasra No.378/2, Nemawar Road,  
Near Makrand House,  
Indore (M.P.) 452020

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Prataap Snacks Limited (CIN: L15311MP2009PLC021746)** (hereinafter called "The Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (v) The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The Company has identified and confirmed the following law as being applicable specifically to the Company:
  - Food Safety and Standards Authority of India Act, 2006
  - Legal Metrology Act, 2009
  - Trademarks Act, 1999

I have relied on the representation made by the Company and its officers for the system and processes formed by the Company to monitor and ensure compliances under the other applicable laws specifically applicable to the Company.

- (vii) I have also examined compliance with the applicable clauses of the following:-
  - Secretarial Standard-1 pertaining to Board Meetings, Secretarial Standard-2 pertaining to General Meetings and Secretarial Standard-3 pertaining to Dividend, issued by the Institute of Company Secretaries of India.
  - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that the equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the financial year under report-

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings and Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried through. The dissenting members' views, if any, were captured and recorded as part of the minutes.

I further report that, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules and Regulations, guidelines.

I further report that following event/actions occurred having a major bearing on the affairs of the Company during the period:-

- The Company has acquired 4,99,688 (76.88%) equity shares of Avadh Snacks Private Limited (CIN: U15132GJ2017PTC098837) a Gujarat based company. By acquiring 4,99,688 (76.88%) equity shares of Avadh Snacks Private Limited, the Company has also indirectly acquired control over Red Rotopack Private Limited (CIN:U25199GJ2015PTC085423), a wholly owned subsidiary of Avadh Snacks Private Limited. With this acquisition, Avadh Snacks Private Limited and Red Rotopack Private Limited have become an unlisted material subsidiary and subsidiary, respectively, of the Company.
- The Board of Directors of the Company have approved the Scheme of Amalgamation of Pure N Sure Food Bites Private Limited (wholly-owned subsidiary) with Prataap Snacks Limited, (holding Company). The Company has filed the necessary application to the National Company Law Tribunal, Ahmedabad Bench. The amalgamation is under process.

For **Ritesh Gupta & Co.**  
Company Secretaries

Date: 21<sup>st</sup> May, 2019  
Place: Indore

**Ritesh Gupta**  
CP:3764|FCS:5200

**Note:** This report to be read with our letter of even date which is annexed as 'Annexure-A' and forms part of this report.

## 'Annexure-A' to the Secretarial Audit Report

To,  
The Members,  
**Prataap Snacks Limited**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial and other statutory records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliances of subsidiaries companies not been reviewed in this audit assignment.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For **Ritesh Gupta & Co.**  
Company Secretaries

Date: 21<sup>st</sup> May, 2019  
Place: Indore

**Ritesh Gupta**  
CP:3764|FCS:5200

## Details pertaining to Remuneration

[As per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### 1. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2018-19 is as under:

Name of Director	Remuneration (₹ in lakhs)	Ratio of remuneration of Director to the Median remuneration
Mr. Arvind Mehta Chairman & Executive Director	75.00	33.50
Mr. Amit Kumat Managing Director & Chief Executive Officer	75.00	33.50
Mr. Apoorva Kumat Executive Director (Operations) (w.e.f. 02.11.2018)	31.25	13.96
Dr. Om Prakash Manchanda Independent Director	12.50	5.58
Mrs. Anisha Motwani Independent Director	14.40	6.43
Mr. Vineet Kumar Kapila Independent Director	10.30	4.60
Mr. Hareesh Ram Chawla Independent Director	10.50	4.69
Mr. Chetan Kumar Mathur Independent Director (w.e.f.07.08.2018)	7.50	3.35

Notes:

- Remuneration comprises of salary and perquisites.
- The Independent Directors received remuneration by way of commission and sitting fee for attending the Board and Committees meetings.
- The above remuneration of Independent Directors is excluding of commission of ₹ 20.00 lakhs pertains to financial year 2017-18 and paid in financial year 2018-19.
- Mr. Apoorva Kumat appointed as Executive Director (Operations) w.e.f. 2<sup>nd</sup> November, 2018.
- No remuneration has been paid to the Non-Executive / Non-Independent Directors, Mr. G.V. Ravishankar and Mr. V.T. Bharadwaj.

### 2. Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2018-19 is as under:

Name of Director/KMP	Remuneration (₹ in lakhs)	% increase in remuneration
Mr. Arvind Mehta Chairman & Executive Director	75.00	33.33
Mr. Amit Kumat Managing Director & Chief Executive Officer	75.00	33.33
Mr. Apoorva Kumat Executive Director (Operations) (w.e.f. 02.11.2018)	31.25	N.A.
Dr. Om Prakash Manchanda Independent Director	12.50	66.67
Mrs. Anisha Motwani Independent Director	14.40	75.61
Mr. Vineet Kumar Kapila Independent Director	10.30	171.05
Mr. Hareesh Ram Chawla Independent Director	10.50	41.89
Mr. Chetan Kumar Mathur Independent Director (w.e.f.07.08.2018)	7.50	N.A.

Name of Director/KMP	Remuneration (₹ in lakhs)	% increase in remuneration
Mr. Sumit Sharma Chief Financial Officer	40.12	31.45
Mr. Rishabh Kumar Jain Company Secretary & Compliance Officer (upto 01.11.2018)	6.88	N.A.
Mr. Om Prakash Pandey Company Secretary & Compliance Officer (w.e.f. 02.11.2018)	10.06	N.A.

## Notes:

- Remuneration comprises of salary, allowance, perquisites and contribution of provident fund.
  - The Independent Directors received remuneration by way of commission and sitting fee for attending the Board and Committees meetings.
  - The above remuneration of Independent Directors is excluding of commission of ₹ 20.00 lakhs pertains to financial year 2017-18 and paid in financial year 2018-19.
  - Mr. Apoorva Kumat appointed as Executive Director (Operations) w.e.f. 2<sup>nd</sup> November, 2018.
  - No remuneration has been paid to the Non-Executive/Non-Independent Directors, Mr. G.V. Ravishankar and Mr. V.T. Bharadwaj.
  - Mr. Rishabh Kumar Jain and Mr. Om Prakash Pandey are employed for a part of the year during the financial year 2018-19 and as such the percentage increase in remuneration as compared to previous year remuneration is not given being not comparable.
- The percentage increase in the median remuneration of employees in the financial year 2018-19 was 4.61%. The median remuneration of the Company of employees is ₹ 2.24 lakhs for the financial year 2018-19.
  - There were total 865 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2019.
  - Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 3.11% whereas the increase in the managerial remuneration for executive directors was 33.33%. The increases in the remuneration of the employees and managerial remuneration was as per the policy of the Company and financial performance of the Company.
  - It is hereby affirmed that the remuneration is as per the Nomination & Remuneration Policy of the Company.
  - 7. Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2018:**

Mr. Subhashis Basu; Chief Operating Officer; ₹ 121.87 lakhs; Contractual; Bachelor's Degree in Science (Economics); 27 years of experience; 1<sup>st</sup> May, 2017; 51, Business Head (Dairy Products), Mother Dairy Fruit and Vegetables Private Limited.

## Notes:

- Remuneration comprises of salary, allowance, perquisites, contribution of provident fund and leave encashment.
- Mr. Subhashis Basu is not related to any Director of the Company and does not hold alongwith his wife and dependent children more than 2% of the equity shares of the Company.

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

**Amit Kumat**

Managing Director and Chief Executive Officer  
DIN: 02663687

**Apoorva Kumat**

Executive Director (Operations)  
DIN: 02630764

Place: Indore

Date: 21<sup>st</sup> May, 2019





Form No. MGT-9

## Extract of Annual Return

as on the financial year ended on 31<sup>st</sup> March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

CIN	:	L15311MP2009PLC021746
Registration Date	:	23 <sup>rd</sup> March, 2009
Name of the Company	:	Prataap Snacks Limited
Category/Sub-Category of the Company	:	Public Company/Limited by Shares
Address of the Registered Office and contact details	:	Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452020, Madhya Pradesh, India Ph.:+91 731 2439999 Email: <a href="mailto:complianceofficer@yellowdiamond.in">complianceofficer@yellowdiamond.in</a>
Whether listed Company	:	Yes
Name, address and contract details of Registrar and Transfer Agent, if any	:	Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot 31-32, Finance District, Nanakramguda, Serilingampally Mandal, Hyderabad-500332, India Toll Free No.: 18003454001 E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	POTATOES CHIPS, NAMKEEN AND OTHER SNACKS	1030	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Pure N Sure Food Bites Private Limited Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452020, Madhya Pradesh, India	U15440MP2011PTC027377	Wholly owned Subsidiary	99.99	2(87) of the Companies Act, 2013
2	Avadh Snacks Private Limited R.S. No. 123/P3, New R.S. No. 128, IND. Plot No. 1, Nikava, Jamnagar-361162, Gujarat, India	U15132GJ2017PTC098837	Subsidiary	80.00*	2(87) of the Companies Act, 2013
3	Red Rotopack Private Limited Survey No.-128, Plot No.-3, Opposite Supertech, Nikava, Kalawad-361162, Gujarat, India	U25199GJ2015PTC085423	Wholly owned Subsidiary of Avadh Snacks Private Limited	-	2(87) of the Companies Act, 2013

\*Include 1,01,563 partly paid-up equity shares.

**IV. SHAREHOLDING PATTERN** (Equity Share Capital Breakup as percentage of Total Equity)**i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year as on 01.04.2018				No. of Shares held at the end of the year as on 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual / HUF	5404047	-	5404047	23.04	5404047	-	5404047	23.04	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>5404047</b>	<b>-</b>	<b>5404047</b>	<b>23.04</b>	<b>5404047</b>	<b>-</b>	<b>5404047</b>	<b>23.04</b>	<b>-</b>
<b>(2) Foreign</b>									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporates	11348582	-	11348582	48.39	11348582	-	11348582	48.39	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>11348582</b>	<b>-</b>	<b>11348582</b>	<b>48.39</b>	<b>11348582</b>	<b>-</b>	<b>11348582</b>	<b>48.39</b>	<b>-</b>
<b>Total Shareholding of Promoters(A)=(A)(1)+(A)(2)</b>	<b>16752629</b>	<b>-</b>	<b>16752629</b>	<b>71.43</b>	<b>16752629</b>	<b>-</b>	<b>16752629</b>	<b>71.43</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds / UTI	2163079	-	2163079	9.22	2242002	-	2242002	9.56	0.34
(b) Banks / FI	627	-	627	-	638	-	638	-	-
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs/ FPIs	1932984	-	1932984	8.24	2116780	-	2116780	9.03	0.79
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others- i) Alternate Investment Fund	833212	-	833212	3.56	850899	-	850899	3.63	0.07
<b>Sub-Total (B)(1)</b>	<b>4929902</b>	<b>-</b>	<b>4929902</b>	<b>21.02</b>	<b>5210319</b>	<b>-</b>	<b>5210319</b>	<b>22.22</b>	<b>1.20</b>
<b>(2) Non-Institutions</b>									
(a) Bodies Corporate									
(i) Indian	271998	-	271998	1.16	70061	-	70061	0.30	(0.86)
(ii) Overseas	426439	-	426439	1.82	426439	-	426439	1.82	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	630730	9181	639911	2.72	636345	6951	643296	2.74	0.02
(ii) Individual Shareholders holding nominal share capital excess of ₹ 1 lakh	334399	-	334399	1.43	313799	-	313799	1.34	(0.09)



Category of Shareholders	No. of Shares held at the beginning of the year as on 01.04.2018				No. of Shares held at the end of the year as on 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
(i) Clearing Members/ Clearing House	8708	-	8708	0.04	1578	-	1578	0.01	(0.03)
(ii) Trusts	547	-	547	-	500	-	500	-	-
(iii) NBFC	30580	-	30580	0.13	5	-	5	-	(0.13)
(iv) HUF	21236	-	21236	0.09	18941	-	18941	0.08	(0.01)
(v) NRI/ NRI-Non-Repatriation	36687	-	36687	0.16	15469	-	15469	0.07	(0.09)
<b>Sub-Total (B)(2)</b>	<b>1761324</b>	<b>9181</b>	<b>1770505</b>	<b>7.55</b>	<b>1483137</b>	<b>6951</b>	<b>1490088</b>	<b>6.35</b>	<b>(1.20)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>6691226</b>	<b>9181</b>	<b>6700407</b>	<b>28.57</b>	<b>6693456</b>	<b>6951</b>	<b>6700407</b>	<b>28.57</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>23443855</b>	<b>9181</b>	<b>23453036</b>	<b>100.00</b>	<b>23446085</b>	<b>6951</b>	<b>23453036</b>	<b>100.00</b>	<b>NIL</b>

Note: Shareholding of Promoters include shareholding of promoter group.

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2018			Shareholding at the end of the year as on 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Mr. Rajesh Kumar Mehta	681456	2.91	-	681456	2.91	-	-
2	Mr. Naveen Kumar Mehta	904176	3.86	-	904176	3.86	-	-
3	Mr. Arvind Mehta	559684	2.39	-	559684	2.39	-	-
4	Mr. Arun Kumar Mehta	571776	2.44	-	571776	2.44	-	-
5	Mrs. Kanta Mehta	233180	0.99	-	233180	0.99	-	-
6	Mrs. Rita Mehta	326400	1.39	-	326400	1.39	-	-
7	Mrs. Premlata Kumat	559106	2.38	-	559106	2.38	-	-
8	Mrs. Swati Bapna	204209	0.87	-	204209	0.87	-	-
9	Mr. Apoorva Kumat	548062	2.34	-	548062	2.34	-	-
10	Mr. Amit Kumat	575998	2.46	-	575998	2.46	-	-
11	Mrs. Sandhya Kumat	129600	0.55	-	129600	0.55	-	-
12	Mrs. Rakhi Kumat	110400	0.47	-	110400	0.47	-	-
13	SCI Growth Investment II	8393451	35.79	-	8393451	35.79	-	-
14	Sequoia Capital GFIV Mauritius Investment*	2354405	10.04	-	2354405	10.04	-	-
15	Sequoia Capital India Growth Investment Holdings I*	600726	2.56	-	600726	2.56	-	-
	<b>Total</b>	<b>16752629</b>	<b>71.43</b>	<b>-</b>	<b>16752629</b>	<b>71.43</b>	<b>NIL</b>	<b>NIL</b>

\*Promoter group

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Mr. Rajesh Kumar Mehta</b>				
At the beginning of the year	681456	2.91	681456	2.91
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			681456	2.91
<b>Mr. Naveen Kumar Mehta</b>				
At the beginning of the year	904176	3.86	904176	3.86
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			904176	3.86
<b>Mr. Arvind Mehta</b>				
At the beginning of the year	559684	2.39	559684	2.39
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			559684	2.39
<b>Mr. Arun Kumar Mehta</b>				
At the beginning of the year	571776	2.44	571776	2.44
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			571776	2.44
<b>Mrs. Kanta Mehta</b>				
At the beginning of the year	233180	0.99	233180	0.99
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			233180	0.99
<b>Mrs. Rita Mehta</b>				
At the beginning of the year	326400	1.39	326400	1.39
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			326400	1.39
<b>Mrs. Premlata Kumat</b>				
At the beginning of the year	559106	2.38	559106	2.38
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			559106	2.38
<b>Mrs. Swati Bapna</b>				
At the beginning of the year	204209	0.87	204209	0.87
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			204209	0.87



Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Mr. Apoorva Kumat</b>				
At the beginning of the year	548062	2.34	548062	2.34
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			548062	2.34
<b>Mr. Amit Kumat</b>				
At the beginning of the year	575998	2.46	575998	2.46
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			575998	2.46
<b>Mrs. Sandhya Kumat</b>				
At the beginning of the year	129600	0.55	129600	0.55
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			129600	0.55
<b>Mrs. Rakhi Kumat</b>				
At the beginning of the year	110400	0.47	110400	0.47
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			110400	0.47
<b>SCI Growth Investment II</b>				
At the beginning of the year	8393451	35.79	8393451	35.79
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			8393451	35.79
<b>Sequoia Capital GFIV Mauritius*</b>				
At the beginning of the year	2354405	10.04	2354405	10.04
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			2354405	10.04
<b>Sequoia Capital India Growth Investment Holdings I*</b>				
At the beginning of the year	600726	2.56	600726	2.56
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			-	-
No Change				
At the end of the year			600726	2.56

\*Promoter group

## iv. Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>SBI Mutual Fund</b>				
At the beginning of the year	1291263	5.51	1291263	5.51
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 06.04.2018 - Sale	(76025)	(0.32)	1215238	5.18
Date: 13.04.2018 - Sale	(83871)	(0.36)	1131367	4.82
Date: 20.04.2018 - Sale	(634)	-	1130733	4.82
Date: 18.05.2018 - Sale	(7180)	(0.03)	1123553	4.79
Date: 25.05.2018 - Sale	(6300)	(0.03)	1117253	4.76
Date: 05.10.2018 - Purchase	9596	0.04	1126849	4.80
Date: 12.10.2018 - Purchase	6294	0.03	1133143	4.83
Date: 21.12.2018 - Purchase	10494	0.04	1143637	4.88
Date: 30.03.2019 - Purchase	16006	0.06	1159643	4.94
At the end of the year			1159643	4.94
<b>Malabar India Fund Limited</b>				
At the beginning of the year	995886	4.25	995886	4.25
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 08.06.2018 - Purchase	9345	0.04	1005231	4.29
Date: 24.08.2018 - Sale	(14722)	(0.06)	990509	4.22
Date: 05.10.2018 - Purchase	3313	0.01	993822	4.23
Date: 11.01.2019 - Purchase	410	-	994232	4.24
Date: 25.01.2019 - Purchase	945	-	995177	4.24
Date: 01.02.2019 - Purchase	4060	0.02	999237	4.26
Date: 08.02.2019 - Purchase	32214	0.14	1031451	4.40
At the end of the year			1031451	4.40
<b>Smallcap World Fund, Inc.</b>				
At the beginning of the year	786300	3.35	786300	3.35
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 31.08.2018 - Purchase	157600	0.67	943900	4.02
At the end of the year			943900	4.02
<b>Faering Capital India Evolving Fund II</b>				
At the beginning of the year	480951	2.05	480951	2.05
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
No Change	-	-	-	-
At the end of the year			480951	2.05
<b>BNP Paribas Equity Fund</b>				
At the beginning of the year	340220	1.45	340220	1.45
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 06.04.2018 - Sale	(5060)	(0.02)	335160	1.43
Date: 13.04.2018 - Sale	(5383)	(0.02)	329777	1.41
Date: 20.04.2018 - Sale	(4294)	(0.02)	325483	1.39
Date: 27.04.2018 - Sale	(13905)	(0.06)	311578	1.33
Date: 04.05.2018 - Sale	(8558)	(0.04)	303020	1.29
Date: 11.05.2018 - Sale	(1748)	(0.01)	301272	1.28



For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Date: 18.05.2018 - Sale	(8095)	(0.03)	293177	1.25
Date: 25.05.2018 - Sale	(2490)	(0.01)	290687	1.24
Date: 01.06.2018 - Sale	(400)	-	290287	1.24
Date: 08.06.2018 - Sale	(57773)	(0.25)	232514	0.99
Date: 22.06.2018 - Sale	(3132)	(0.01)	229382	0.98
Date: 29.06.2018 - Sale	(10276)	(0.04)	219106	0.93
Date: 03.08.2018 - Sale	(6898)	(0.03)	212208	0.90
Date: 10.08.2018 - Sale	(6330)	(0.03)	205878	0.88
Date: 17.08.2018 - Sale	(9650)	(0.04)	196228	0.84
Date: 21.09.2018 - Purchase	12500	0.05	208728	0.89
Date: 12.10.2018 - Purchase	6000	0.03	214728	0.92
Date: 08.02.2019 - Sale	(25028)	(0.11)	189700	0.81
Date: 15.02.2019 - Sale	(5560)	(0.02)	184140	0.79
Date: 22.02.2019 - Sale	(6319)	(0.03)	177821	0.76
Date: 08.03.2019 - Sale	(1222)	(0.01)	176599	0.75
Date: 30.03.2019 - Purchase	2500	0.01	179099	0.76
At the end of the year			179099	0.76
<b>IDFC Mutual Fund</b>				
At the beginning of the year	119463	0.51	119463	0.51
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 25.05.2018 - Purchase	7798	0.03	127261	0.54
Date: 01.06.2018 - Purchase	11202	0.05	138463	0.59
Date: 22.06.2018 - Purchase	17600	0.08	156063	0.67
Date: 22.06.2018 - Sale	(9280)	(0.04)	146783	0.63
Date: 29.06.2018 - Purchase	8000	0.03	154783	0.66
Date: 29.06.2018 - Sale	(100)	-	154683	0.66
Date: 06.07.2018 - Purchase	100	-	154783	0.66
Date: 03.08.2018 - Purchase	86349	0.37	241132	1.03
Date: 24.08.2018 - Sale	(7583)	(0.03)	233549	1.00
Date: 30.11.2018 - Purchase	144	-	233693	1.00
Date: 07.12.2018 - Purchase	307	-	234000	1.00
Date: 14.12.2018 - Purchase	3076	0.01	237076	1.01
Date: 21.12.2018 - Purchase	47179	0.20	284255	1.21
Date: 04.01.2019 - Purchase	40000	0.17	324255	1.38
Date: 11.01.2019 - Purchase	94	-	324349	1.38
At the end of the year			324349	1.38
<b>Kotak Mahindra Mutual Fund</b>				
At the beginning of the year	257481	1.10	257481	1.10
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 06.04.2018 - Purchase	4139	0.02	261620	1.12
Date: 13.04.2018 - Sale	(2276)	(0.01)	259344	1.11
Date: 18.05.2018 - Sale	(467)	-	258877	1.11
Date: 01.06.2018 - Purchase	484	-	259361	1.11
Date: 08.06.2018 - Purchase	9824	0.04	269185	1.15
Date: 15.06.2018 - Purchase	8000	0.03	277185	1.18
Date: 29.06.2018 - Purchase	3405	0.01	280590	1.19
Date: 20.07.2018 - Purchase	1000	-	281590	1.19
Date: 03.08.2018 - Purchase	479	-	282069	1.19

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Date: 10.08.2018 - Purchase	2000	0.01	284069	1.20
Date: 17.08.2018 - Purchase	10000	0.04	294069	1.24
Date: 24.08.2018 - Sale	(5000)	(0.02)	289069	1.22
Date: 31.08.2018 - Purchase	5445	0.02	294514	1.26
Date: 07.09.2018 - Purchase	7836	0.03	302350	1.29
Date: 14.09.2018 - Purchase	3643	0.02	305993	1.31
Date: 21.09.2018 - Purchase	1167	-	307160	1.31
Date: 28.09.2018 - Purchase	16629	0.07	323789	1.38
Date: 19.10.2018 - Purchase	13114	0.06	336903	1.44
Date: 07.12.2018 - Purchase	802	-	337705	1.44
Date: 28.12.2018 - Purchase	293	-	337998	1.44
Date: 11.01.2019 - Purchase	3418	0.01	341416	1.45
Date: 08.02.2019 - Purchase	10000	0.04	351416	1.49
Date: 15.02.2019 - Purchase	21368	0.09	372784	1.58
Date: 22.02.2019 - Purchase	13500	0.06	386284	1.64
Date: 15.03.2019 - Purchase	1587	0.01	387871	1.66
Date: 22.03.2019 - Purchase	1475	0.01	389346	1.67
Date: 29.03.2019 - Purchase	966	-	390312	1.66
Date: 30.03.2019 - Purchase	968	0.01	391280	1.67
At the end of the year			391280	1.67
<b>Parvest Equity India</b>				
At the beginning of the year	233016	0.99	233016	0.99
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 28.09.2018 - Sale	(2078)	(0.01)	230938	0.98
At the end of the year			230938	0.98
<b>Goldman Sachs India Limited</b>				
At the beginning of the year	179649	0.77	179649	0.77
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 08.06.2018 - Purchase	49966	0.21	229615	0.98
Date: 21.12.2018 - Purchase	85000	0.36	314615	1.34
At the end of the year			314615	1.34
<b>Malabar Value Fund</b>				
At the beginning of the year	191260	0.82	191260	0.82
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
Date: 04.01.2019 - Purchase	5000	0.02	196260	0.84
At the end of the year			196260	0.84

Note: The shareholding has been clubbed based on PAN.





## v. Shareholding of Directors and Key Managerial Personnel

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Mr. Arvind Mehta</b> Chairman & Executive Director				
At the beginning of the year	559684	2.39	559684	2.39
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			559684	2.39
<b>Mr. Amit Kumar</b> Managing Director & Chief Executive Officer				
At the beginning of the year	575998	2.46	575998	2.46
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			575998	2.46
<b>Mr. Apoorva Kumar</b> Executive Director (Operations) appointed w.e.f. 02.11.2018				
At the beginning of the year	548062	2.34	548062	2.34
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			548062	2.34
<b>Mr. G.V Ravishankar</b> Non Executive Non-Independent Nominee Director				
At the beginning of the year	Nil	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			NIL	NIL
<b>Mr. V.T Bharadwaj</b> Non Executive Non-Independent Director appointed w.e.f. 02.11.2018				
At the beginning of the year	Nil	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			NIL	NIL
<b>Mr. Vineet Kumar Kapila</b> Independent Director				
At the beginning of the year	NIL	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			NIL	NIL

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Mr. Haresh Ram Chawla</b> Independent Director				
At the beginning of the year	NIL	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			NIL	NIL
<b>Mrs. Anisha Motwani</b> Independent Director				
At the beginning of the year	NIL	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			NIL	NIL
<b>Dr. Om Prakash Manchanda</b> Independent Director				
At the beginning of the year	NIL	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			NIL	NIL
<b>Mr. Chetan Kumar Mathur</b> Independent Director appointed w.e.f. 07.08.2018				
At the beginning of the year (07.08.2018)	NIL	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			NIL	NIL
<b>Mr. Sumit Sharma</b> Chief Financial Officer				
At the beginning of the year	85161	0.36	85161	0.36
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			85161	0.36
<b>Mr. Rishabh Kumar Jain</b> Company Secretary & Compliance Officer upto 01.11.2018				
At the beginning of the year	NIL	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year (upto 01.11.2018)			NIL	NIL

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Mr. Om Prakash Pandey</b> Company Secretary & Compliance Officer appointed w.e.f. 02.11.2018				
At the beginning of the year (02.11.2018)	NIL	NIL	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.) No Change			-	-
At the end of the year			NIL	NIL

Notes:

- Upto 1<sup>st</sup> November, 2018, Mr. Apoorva Kumat was President (Operations) of the Company.
- Upto 21<sup>st</sup> August, 2018, Mr. V.T. Bharadwaj was Non-Executive Non-Independent Nominee Director of the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	747.85	-	-	747.85
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	0.39	-	-	0.39
<b>Total (i+ii+iii)</b>	<b>748.24</b>	<b>-</b>	<b>-</b>	<b>748.24</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition				
(i) Principal Amount	-	1750.00	-	1750.00
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	8.89	-	8.89
• Reduction				
(i) Principal Amount	(747.85)	-	-	(747.85)
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	(0.39)	-	-	(0.39)
<b>Net Change</b>	<b>(748.24)</b>	<b>1758.89</b>	<b>-</b>	<b>1010.65</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	-	1750.00	-	1750.00
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	8.89	-	8.89
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>1758.89</b>	<b>-</b>	<b>1758.89</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Director and/or Manager:**

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total
		Mr. Arvind Mehta Chairman & Executive Director	Mr. Amit Kumat Managing Director & Chief Executive Officer	Mr. Apoorva Kumart Executive Director (Operations) (w.e.f. 02.11.2018)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	75.00	75.00	31.25	181.25
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others [Company's contribution to Provident and Superannuation Fund(s)]	-	-	-	-
	<b>Total (A)</b>	<b>75.00</b>	<b>75.00</b>	<b>31.25</b>	<b>181.25</b>
	Ceiling as per the Act-	Being 10% of the Net Profits calculated as per Section 198 of the Companies Act, 2013			₹ 656.04

**B. Remuneration to other directors:**

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. Om Prakash Manchanda	Mrs. Anisha Motwani	Mr. Vineet Kumar Kapila	Mr. Haresh Ram Chawla	Mr. Chetan Kumar Mathur	
<b>1</b>	<b>Independent Directors</b>						
	Fees for attending Board/ Committee Meetings	7.50	9.40	5.30	5.50	2.50	30.20
	Commission*	5.00	5.00	5.00	5.00	5.00	25.00
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>12.50</b>	<b>14.40</b>	<b>10.30</b>	<b>10.50</b>	<b>7.50</b>	<b>55.20</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	Mr. G. V Ravishankar		Mr. V. T Bharadwaj			
	Fees for attending Board Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>						<b>55.20</b>
	<b>Total Managerial Remuneration</b>						<b>236.45</b>
	Overall Ceiling as per the Act	Being 11% of the Net Profits calculated as per Section 198 of the Companies Act, 2013. The ceiling, however, does not apply on Sitting fees paid to Directors for attending Meetings of the Board or Committee thereof in pursuance to Section 197(2) and (5) of the Companies Act, 2013					₹ 721.65

\*Excluding the commission of ₹ 20.00 lakhs pertains to financial year 2017-18 and paid in financial year 2018-19.



### C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole-time Director

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Sumit Sharma Chief Financial Officer	Shri Om Prakash Pandey* Company Secretary & Compliance Officer (w.e.f 02.11.2018)	Mr. Rishabh Kumar Jain* Company Secretary & Compliance Officer (upto 01.11.2018)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	38.42	9.58	6.60	54.60
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, [Company's contribution to Provident and Superannuation Fund(s)]	1.70	0.48	0.28	2.46
	<b>Total (C)</b>	<b>40.12</b>	<b>10.06</b>	<b>6.88</b>	<b>57.06</b>

\*Employed for the part of the year.

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY/ B. DIRECTORS/ C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		

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

#### Amit Kumat

Managing Director and Chief Executive Officer  
DIN: 02663687

#### Apoorva Kumat

Executive Director (Operations)  
DIN: 02630764

Place: Indore

Date: 21<sup>st</sup> May, 2019

## Annexure-V

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[As per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### (A) CONSERVATION OF ENERGY:

The Company continued its drive towards the conservation of energy in all the areas of its operations by improving operational efficiency and reducing energy and water consumption. Additionally, while undertaking modernisation and technological upgradation of production facilities, due consideration is also given in selection of plant and machinery which conforms to the best in class energy conservation parameters. The key initiatives undertaken during the year for conservation of energy are:

#### (i) Steps taken or impact on conservation of energy:

- Zero air leakage maintained to minimize the duty cycle of air compressor.
- Gravitational chute used to move the finished goods from warehouse to transport vehicle using minimum electricity power.
- Minimization of water pumps within plant by using larger water tanks on the roofs with systematic vertical interconnection.
- Zero usage of diesel burners in manufacturing process. 100% PNG burners used.

#### (ii) Steps taken by the Company for utilising alternate sources of energy:

- During the year under review, the Company has conducted joint feasibility studies at manufacturing unit to finalize the highest solar cell capacity to be installed at suitable place, so that maximum reduction in electricity can be obtained.
- Use of bio-mass briquettes for generating heat for manufacturing process.
- Solar water heater is used instead of electric geyser for the warm water need at the plant.

#### (iii) Capital investment on energy conservation equipment: Nil

### (B) TECHNOLOGY ABSORPTION:

#### (i) Efforts made towards technology absorption:

The Company is continuously putting its efforts toward absorption and development of technology. The key initiatives undertaken during the year for conservation of energy are:

- PLC drive based conveyor speed control system for conveyor belts used in manufacturing process.

- The microcontroller based packing machines have been replaced with PLC based machines.

#### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Higher productivity, lesser production cost and reduced power and fuel cost.
- Better pollution control, reduced the impact on environment, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.
- The use of new PLC packing machine has resulted in the increase in the packing efficiency, improved packing quality and reduced the power consumption.

#### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has not imported any technology in last three years reckoned from the beginning of the financial year, hence nothing to report under this section.

#### (iv) Expenditure incurred on Research and Development:

As Research and Development is part of the ongoing quality control and manufacturing costs, the expenditure is not separately allocated and identified.

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year the foreign exchange outgo in terms of actual outflows was ₹ 759.33 lakhs while foreign exchange earned in terms of actual inflows was 54.61 lakhs.

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

**Amit Kumat**  
Managing Director and  
Chief Executive Officer  
DIN: 02663687

**Apoorva Kumat**  
Executive Director  
(Operations)  
DIN: 02630764

Place: Indore  
Date: 21<sup>st</sup> May, 2019



# Report on Corporate Governance

Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”), the Company’s Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019 is set out below:

## COMPANY PHILOSOPHY:

Corporate Governance is a necessary tool for achieving all round business excellence reflected in enhanced shareholder value, without compromising on the need and interest of other stakeholders. The Governance of your Company is based on the three pillars i.e. Trusteeship, Transparency and Accountability. The responsible corporate conduct is integral to way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We don’t practice corporate governance as an act of compliance but with the spirit of governance.

The Company’s governance framework which is based on the aforesaid three pillars are:

- a) Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- b) Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- c) Ethical business conduct of Board, Senior Management and Employees;
- d) Systems and processes in place for internal control; and
- e) Timely and accurate disclosure of all material, operational and financial information to the stakeholders.

Corporate Governance is not a destination but a continuous journey with an upward moving target. The Company will continue its efforts towards raising its standard in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environment.

## BOARD OF DIRECTORS:

The Board is broad-based and consists of eminent individuals from industrial, managerial, technical, financial and marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on 31<sup>st</sup> March, 2019, the Board of Directors of your Company comprised of ten (10) Directors. The Board has an optimum combination of executive and non-executive directors including one woman director. Out of total ten (10), three (3) are Executive Directors, two (2) Non-Executive Non-Independent Directors and five (5) Independent Directors. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

As mandated by Regulation 26(1) of the Listing Regulations, none of the Director on the Board is a member in more than ten (10) committees or acts as chairman of more than five (5) committees (considering only audit committee and stakeholders relationship committee) across all the public limited companies (listed or unlisted) in which he/she is a Director. All the Directors have informed about their directorship and committee membership/ chairmanship. All the Independent Directors have submitted a declaration that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The terms and conditions of appointment of Independent Directors can be accessed on the Company’s web link: <http://www.yellowdiamond.in/wp-content/uploads/2018/01/Terms-and-conditions-ID.pdf>

The following table gives the composition and category of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships/ Chairmanships held by them in other companies and names of the other listed companies where he/she is a director & the category of directorship:

Name of the Director	Category	Attendance Particulars		Number of other Directorships and Committee Memberships/ Chairmanships			Name of other listed companies & category of Directorship
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships	
Mr. Arvind Mehta Chairman & Executive Director	Promoter, Executive	5	Yes	Nil	Nil	Nil	Nil
Mr. Amit Kumat Managing Director & Chief Executive Officer	Promoter, Executive	6	Yes	Nil	Nil	Nil	Nil
Mr. Apoorva Kumat Executive Director (Operations) (w.e.f. 02.11.2018)	Promoter, Executive	2	Yes	1	Nil	Nil	Nil
Mr. G.V. Ravishankar	Non-Executive, Nominee	5	No	2	Nil	Nil	Nil
Dr. Om Prakash Manchanda	Independent Non-Executive	4	Yes	1	1	Nil	Dr. Lal PathLabs Limited (Executive)
Mrs. Anisha Motwani	Independent Non-Executive	5	No	6	5	Nil	Abbott India Limited (Independent Non-Executive) Welspun India Limited (Independent Non-Executive)
Mr. Vineet Kumar Kapila	Independent Non-Executive	3	Yes	Nil	Nil	Nil	Nil
Mr. Haresh Ram Chawla	Independent Non-Executive	3	No	1	1	1	Future Enterprise Limited (Independent Non-Executive)
Mr. Chetan Kumar Mathur (w.e.f. 07.08.2018)	Independent Non-Executive	2	Yes	Nil	Nil	Nil	Nil
Mr. V.T. Bharadwaj (w.e.f. 02.11.2018)	Non-Executive	1	Yes	Nil	Nil	Nil	Nil

## Notes:

- Other directorships exclude directorship in private limited companies, foreign companies and section 8 companies.
- Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian public limited companies other than Prataap Snacks Limited.
- None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.
- Brief profiles of the above Directors are available on the Company's website: [www.yellowdiamond.in](http://www.yellowdiamond.in).
- Till 1<sup>st</sup> November, 2018, Mr. Apoorva Kumat was President (Operations) of the Company.
- Till 21<sup>st</sup> August, 2018, Mr. V. T. Bhardwaj was on the Board as Non-Executive Non-Independent Nominee Director.

**Relationship between Director inter-se**

Except, Mr. Amit Kumat, brother of Mr. Apoorva Kumat, no Director of the Company is related to any other Director on the Board.

**Share and Convertible instruments held by Non-Executive Directors**

No Non-Executive Director of the Company holds any share or convertible instruments of the Company.

**List of core skills/expertise/competencies identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for it to function effectively and those actually available with the Board are as follows:**

Sr. No.	Skill Area	Description
1.	Understanding of Business	Sufficient understanding and knowledge of the Company and the business/sector in which it operates.
2.	Industry Experience	Experience of Packaged food industry.
3.	Strategy and Planning	Contribution to new ideas/insights on business issues raised by Management. Providing thoughtful and constructive feedback to Management. Anticipating new issues that Management and the Board should consider. Demonstration of highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)
4.	Law	Knowledge of legal/regulatory framework/affairs relating to the Packaged food business.
5.	Financial Knowledge	Proficiency in review of financial statements.
6.	Technical Knowledge	Technical knowledge of the business of the Company.
7.	Commitment and Integrity	Adequate commitment to the Board and the Company





Based on the declaration received from all Independent Directors, the Board in its meeting held on 21<sup>st</sup> May, 2019 have confirmed that in its opinion, the Independent Directors of the Company have fulfilled the conditions of independence specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management.

In accordance with Regulation 36(3) of the Listing Regulations, the brief resume and other information/details of a Director to be re-appointed at the ensuing Annual General Meeting (AGM) of the Company shall be given in the Notice of the AGM.

### **BOARD MEETINGS:**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly.

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year ended 31<sup>st</sup> March, 2019, six (6) Board meetings were held on 16<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 22<sup>nd</sup> August, 2018, 01<sup>st</sup> October, 2018, 02<sup>nd</sup> November, 2018 and 05<sup>th</sup> February, 2019. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days, as stipulated under Section 173(1) of the Companies Act, 2013, Regulation 17(2) of the Listing Regulations and the Secretarial Standard (SS-1) issued by the Institute of Company Secretaries of India.

The notice and detailed agenda along with the relevant notes and other material information are circulated to the Directors before the meeting including minimum information as required under Regulation 17(7) read with Schedule II of the Listing Regulations, to the extent applicable and relevant and in exceptional cases tabled at the Meeting with the approval of the Board of Directors. All the Directors have complete and unrestricted access to any information required by them to understand the transactions and take decisions. This enables the Board to discharge its responsibilities effectively and make an informed decision.

### **Familiarisation Programme for the Independent Directors**

The Company formulate policy on Familiarisation Programme for Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with senior management personnel and are provided all documents required and sought

by them for enabling them to have a good understanding of the Company, its various operations and the industry on which it is a part. During the course of Board/Committee Meeting(s), presentations are made on various matters, inter-alia, covering the Company's business and operations, industry and regulatory updates, strategy, finance, risk management framework and other relevant matters as a part of familiarization programmes. Details of familiarisation programmes imparted to Independent Directors is disclosed on the website of the Company and can be accessed on the Company's web link <http://www.yellowdiamond.in/wp-content/uploads/2019/05/Details-of-Familiarisation-Programmes-imparted-to-Independent-Directors.pdf>

### **Independent Directors Meeting**

During the year under review, a separate meeting of Independent Directors was held on 16<sup>th</sup> May, 2018, inter-alia, to discuss:

- i. Evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;
- ii. Review of the performance of the Chairman of the Company, taking into account the views of the Non-Executive Directors; and
- iii. Assessment of the quality, content and timeliness of flow of information between the Company management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors of the Company were present in the meeting.

### **COMMITTEES OF THE BOARD:**

The Company has following Board level committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee

### **AUDIT COMMITTEE:**

The Audit Committee constituted by the Board of the Company is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee met Five (5) times during the financial year 2018-19 on 16<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 22<sup>nd</sup> August, 2018, 02<sup>nd</sup> November, 2018 and 05<sup>th</sup> February, 2019. The maximum gap between two meetings was not more than 120 days.

The composition of the Audit Committee and the details of meetings attended by the members thereof are given below:

Name of the Member	Designation	No. of Meetings attended
Mr. Chetan Kumar Mathur	Chairman	1
Mr. Vineet Kumar Kapila	Member	3
Mrs. Anisha Motwani	Member	5
Mr. G. V. Ravishankar	Member	5

Note:

Till 1<sup>st</sup> November, 2018, Mr. Vineet Kumar Kapila was Chairman of the Audit Committee. Mr. Chetan Kumar Mathur, who was appointment as Member of the Audit Committee with effect from 22<sup>nd</sup> August, 2018, become Chairman of the Audit Committee with effect from 2<sup>nd</sup> November, 2018.

All the members of the Audit Committee are financially literate and having insight to interpret and understand financial statements.

At the invitation of the Company, internal auditors, statutory auditors and other invited executives also attend the Audit Committee meetings along with Chief Financial Officer and Company Secretary, to respond to queries raised at the Committee meetings. The Minutes of Committee Meeting are placed before the Board for noting.

The Company Secretary of the Company acts as the Secretary to the Audit Committee as per Regulation 18(1) (e) of the Listing Regulations.

The composition, quorum, powers, role and scope of Audit Committee and information being reviewed by the Audit Committee are in accordance with Regulation 18 read with Part C of Schedule II of the Listing Regulations as well as Section 177 of the Companies Act, 2013. The Terms of Reference of Audit Committee include the following:

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (vi) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected

- fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (xviii) To review the functioning of the Whistle Blower mechanism;
  - (xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (xx) Reviewing the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
  - (xxi) Carrying out any other function as mentioned in the Terms of Reference of the Audit Committee.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee constituted by the Board of the Company is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

During the year, four (4) Meetings of the Nomination and Remuneration Committee were held on 16<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 22<sup>nd</sup> August, 2018 and 02<sup>nd</sup> November, 2018. The composition of the Nomination and Remuneration Committee and the details of meetings attended by the members thereof are given below:

<b>Name of members</b>	<b>Designation</b>	<b>No. of Meetings attended</b>
Dr. Om Prakash Manchanda	Chairman	4
Mr. Vineet Kumar Kapila	Member	2
Mr. G. V. Ravishankar (w.e.f. 22.08.2018)	Member	1
Mr. V. T. Bharadwaj	Member	2

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

The Company Secretary of the Company acts as Secretary of the Committee. The Minutes of Committee Meeting are placed before the Board for noting. The Terms of Reference of Nomination & Remuneration Committee include the following:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating

to, the remuneration of the Directors, Key Managerial Personnel and other employees;

- (ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (iii) Devising a policy on diversity of Board of Directors;
- (iv) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- (v) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- (vi) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

#### **Performance Evaluation of Board, Committees & Directors**

Pursuant to the governing provisions of the Companies Act, 2013, the Listing Regulations and Guidance Note on Board evaluation issued by SEBI, a formal annual evaluation was carried out by the Board of its own performance and that of its Committees and Independent Directors. During the year under review, one (1) Meeting of the Independent Directors was held, without presence of non-independent directors and members of the management, wherein the performance of non-independent directors, Chairman and the Board of Directors as a whole were reviewed. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The performance evaluation of Committees and Independent Directors was carried out by the entire Board, excluding the Director being evaluated, inter-alia, taking into account the criteria for evaluation formulated by the Nomination and Remuneration Committee and as envisaged in the Guidance Note on Board evaluation issued by SEBI. The Board, its Committees and Directors evaluation provided a formal process of communication in raising issues that might not otherwise be vetted by the Board, with the underlying objectives to develop an action plan to enhance the Board performance, inter-alia, by ensuring compliance with the requirements of the Companies Act, 2013 and Code of Corporate Governance as enshrined in the Listing Regulations.

The structured evaluation process was focused on identifying areas of improvement, if any, such as creating balance of power between the Board and management, long term strategy, more effectively fulfilling the Board's oversight responsibilities, the adequacy of committee(s) structures, the assessment of Board culture to ascertain whether the same is conducive to attract

right individuals to join the Board and updating the evaluation process itself. The Directors expressed their satisfaction with the evaluation process.

### Remuneration policy

#### 1. Remuneration to Independent Directors and Non-Executive Directors

The Independent Directors are paid remuneration by way of sitting fees and commission. The Independent Directors are paid sitting fees for each meeting of the Board and its Committees, attended by them. The Non-Executive Director and Independent Directors do not have any material pecuniary relationship or transactions with the Company.

#### 2. Remuneration to Executive Directors

The appointment and remuneration of Chairman & Executive Director, Managing Director & Chief Executive

Officer and Executive Director (Operations) is governed by the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and Shareholders of the Company. The remuneration package of Chairman & Executive Director, Managing Director & Chief Executive Officer and Executive Director (Operations) comprises of salary, perquisites and other retirement benefit. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Remuneration and Nomination Policy is displayed on the Company's website viz. [www.yellowdiamond.in](http://www.yellowdiamond.in).

### Details of remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2019

#### a. Non-Executive and Independent Directors

₹ in lakhs

Name of Director	Category	Sitting fees paid for FY 2018-19	Commission payable for FY 2018-19*
Mr. G.V. Ravishankar	Non-Executive Director	NIL	NIL
Mr. V.T. Bharadwaj	Non-Executive Director	NIL	NIL
Dr. Om Prakash Manchanda	Independent Director	7.50	5.00
Mrs. Anisha Motwani	Independent Director	9.40	5.00
Mr. Vineet Kumar Kapila	Independent Director	5.30	5.00
Mr. Haresh Ram Chawla	Independent Director	5.50	5.00
Mr. Chetan Kumar Mathur	Independent Director	2.50	5.00

\*Commission approved by the Board in its meeting held on 21<sup>st</sup> May, 2019, to be paid in the FY 2019-20.

#### b. Executive Directors

₹ in lakhs

Particulars	Mr. Arvind Mehta Chairman & Executive Director	Mr. Amit Kumat Managing Director & Chief Executive Officer	Mr. Apoorva Kumat Executive Director (Operations) w.e.f. 02.11.2018
Terms of Appointment	For a period of 5 years from September 23, 2016 to September 22, 2021	For a period of 5 years from September 23, 2016 to September 22, 2021	For a period of 3 years from November 02, 2018 to November 01, 2021
Salary	75.00	75.00	31.25
Bonus	Nil	Nil	Nil
Stock options	Nil	Nil	Nil
Perquisites	Nil	Nil	Nil
Minimum Remuneration	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy/absence of profits.	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy/absence of profits.	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy/absence of profits.



## STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee constituted by the Board of the Company is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Stakeholders Relationship Committee met four (4) times during the financial year 2018-19 on 16<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 02<sup>nd</sup> November, 2018 and 05<sup>th</sup> February, 2019. The Minutes of Committee Meeting are placed before the Board for noting.

The table below provides the composition and attendance of the Stakeholders Relationship Committee:

Name of members	Designation	No. of Meetings attended
Mr. Haresh Ram Chawla	Chairman	3
Mrs. Anisha Motwani	Member	4
Mr. Vineet Kumar Kapila	Member	2
Mr. Arvind Mehta	Member	4
Mr. V. T. Bharadwaj	Member	3

The Company Secretary of the Company acts as Secretary of the Committee. The Terms of Reference of Stakeholders Relationship Committee include the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Investigating complaints relating to allotment of shares, approval of transmission of shares, or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

## Name, designation and address of the Compliance Officer

Mr. Om Prakash Pandey  
 Company Secretary & Compliance Officer  
 Prataap Snacks Limited  
 Khasra No. 378/2, Nemawar Road,  
 Near Makrand House, Palda,  
 Indore- 452020 (M.P.), India  
 Ph: +91 731 2439911  
 Email: [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in)

## Details of shareholder/investor complaints

The Company and the Registrar and Share Transfer Agents viz. Karvy Fintech Private Ltd. attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges and other statutory regulatory authorities.

The details of shareholders/investors complaint is as under

Complaint outstanding as on 1 <sup>st</sup> April, 2018	:	0
Compliant received during the financial year ended 31 <sup>st</sup> March, 2019	:	8
Compliant resolved during the financial year ended 31 <sup>st</sup> March, 2019	:	8
Complaint outstanding as on 31 <sup>st</sup> March, 2019	:	0

No request for transfer was pending for approval as on 31<sup>st</sup> March, 2019.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee is constituted by the Board of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the year, Four (4) Meetings of the Corporate Social Responsibility Committee were held on 16<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018, 02<sup>nd</sup> November, 2018 and 05<sup>th</sup> February, 2019. The Minutes of Committee Meeting are placed before the Board for noting.

The composition of the Corporate Social Responsibility Committee and the details of meeting attended by the members thereof are given below:

Name of members	Designation	No. of Meetings attended
Mrs. Anisha Motwani	Chairperson	4
Mr. Haresh Ram Chawla	Member	3
Mr. Amit Kumat	Member	4
Mr. Arvind Mehta	Member	4
Mr. V. T. Bharadwaj	Member	3

The Company Secretary of the Company acts as a Secretary of the Committee.

The Terms of Reference of Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and as amended from time to time or as per any circulars, notifications, etc. issued by the government in relation thereto from time to time;
2. Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time;
4. Ensure the compliance of the Company with respect of CSR provisions as per the applicable laws of the land; and
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### RISK MANAGEMENT COMMITTEE:

The Board of the Company, on a voluntary basis, have constituted a Risk Management Committee.

The Risk Management Committee met three (3) times during the financial year 2018-19 on 16<sup>th</sup> May, 2018, 07<sup>th</sup> August, 2018 and

02<sup>nd</sup> November, 2018. The Minutes of Committee meeting are placed before the Board for noting.

The composition of the Risk Management Committee and the details of meeting attended by the members thereof are given below:

Name of members	Designation	No. of Meetings attended
Dr. Om Prakash Manchanda	Chairman	3
Mr. Amit Kumat	Member	3
Mr. Hareesh Ram Chawla	Member	2
Mr. G. V. Ravishankar	Member	3

The Terms of Reference of Risk Management Committee include the following:

1. Framing, implementing, reviewing and monitoring the risk management plan for the Company;
2. Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
3. Oversight of the risk management policy/ enterprise risk management framework (identification, impact assessment, monitoring, mitigation & reporting);
4. Review key strategic risks at domestic/international, macro-economic & sectorial level (including market, competition, political & reputational issues); and
5. Review significant operational risks.

#### GENERAL BOARD MEETINGS:

**Location and time, where last three Annual General Meetings of the Company were held and details of special resolution passed:**

Date & Time	Venue of the Meeting	Details of Special Resolution Passed
September 28, 2018 11:00 a.m.	The Grand Bhagwati Palace, Omexe City, Bypass Road, Mayakedi, Indore-452016, (M.P)	<ol style="list-style-type: none"> <li>1. Variation in the terms of Objects of the Initial Public Issue.</li> <li>2. Approval of the "Prataap Employees Stock Appreciation Rights Plan, 2018".</li> <li>3. Approval of the grant of employee stock appreciation rights to employees/Directors of the Subsidiary Companies of the Company under "Prataap Employees Stock Appreciation Rights Plan, 2018".</li> </ol>
September 15, 2017 11:00 a.m.	Registered Office of the Company at Indore, (M.P)	No special resolution passed in this meeting.
July 5, 2016 10:00 a.m.	Registered Office of the Company at Indore, (M.P)	<ol style="list-style-type: none"> <li>1. Amendment of the existing Articles of Association of the Company to confirm the shareholder's agreement.</li> <li>2. Approval of entrenched provisions contained in the proposed restated articles.</li> <li>3. Appointment of Mrs. Anisha Motwani as an Independent Director.</li> <li>4. Appointment of Dr. Om Prakash Manchanda as an Independent Director.</li> </ol>



**Location and time, where last three Extra-ordinary General Meetings of the Company were held and details of special resolution passed:**

Date & Time	Venue of the Meeting	Details of Special Resolution Passed
August 22, 2017 11.00 a.m.	Registered Office of the Company at Indore, (M.P.)	1. Approval to offer and issue of equity shares on a private placement basis.
June 3, 2017 11.00 a.m.	Registered Office of the Company at Indore, (M.P.)	1. Approval of Initial Public Offer. 2. Adoption of new Articles of Association of the Company.
September 24, 2016 11.00 a.m.	Registered Office of the Company at Indore, (M.P.)	1. Approval of Initial public offer. 2. Adoption of new Articles of Association of the Company. 3. Amendments to the Articles of Association of the Company. 4. Increase in aggregate investment limit of foreign institutional investors. 5. Appointment of Mr. Amit Kumat as the Managing Director of the Company.

No resolution was passed through postal ballot during the financial year 2018-19. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing a Special Resolution through Postal Ballot mandatorily.

**MEANS OF COMMUNICATION**

(a) Quarterly Results	:	Quarterly results are approved and taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirements of the Listing Regulations.
(b) Newspapers wherein results are normally published	:	English Newspaper - Free Press Journal Vernacular Newspaper - Raj Express / Dabang Dunia
(c) Any website, where results are displayed	:	<a href="http://www.yellowdiamond.in">www.yellowdiamond.in</a>
(d) Whether the website also displays:		
(i) official news releases	:	Yes
(ii) presentations made to institutional investors or to the analysts	:	Yes

**GENERAL SHAREHOLDER INFORMATION**

**Annual General Meeting**

**Date, Time and Venue** : 27<sup>th</sup> September, 2019 at 01:30 P.M.  
at Registered Office of the Company at  
Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452020 (M.P)

**Financial Year** : Begins on 1<sup>st</sup> April and ends on 31<sup>st</sup> March of the following year.

**Financial Calendar (2019-20)** (tentative)

**Quarterly Financial Results:**

ending 30<sup>th</sup> June, 2019 In or before second week of August, 2019  
ending 30<sup>th</sup> September, 2019 In or before second week of November, 2019  
ending 31<sup>st</sup> December, 2019 In or before second week of February, 2020  
ending 31<sup>st</sup> March, 2020 In or before last week of May, 2020

**Book Closure date(s)** : 21<sup>st</sup> September, 2019 to 27<sup>th</sup> September, 2019 (both days inclusive)

**Dividend Payment date** : On or before 26<sup>th</sup> October, 2019

**Listing on Stock Exchanges** : (a) BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai-400 001  
(b) National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (East), Mumbai-400 051

The Company has timely paid the Annual listing fees for the financial year 2018-19 to BSE and NSE.

**Stock Codes** : BSE, Mumbai : 540724  
NSE, Mumbai : DIAMONDYD

**Demat ISIN Number for NSDL & CDSL** : INE393P01035

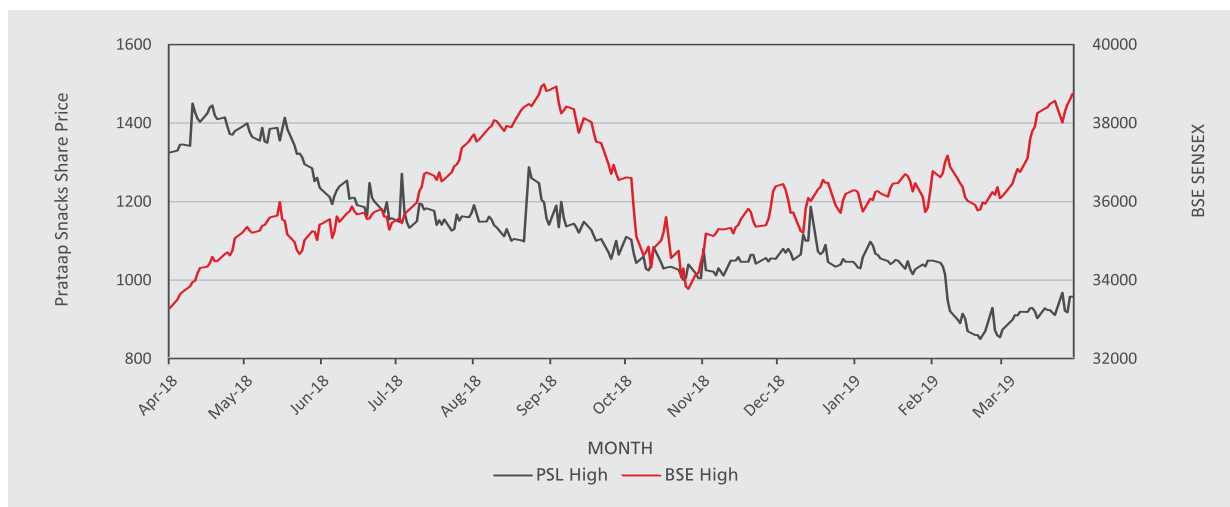
## STOCK MARKET DATA

Monthly high and low quotations of shares and volume of equity shares traded on BSE Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai are as follows:

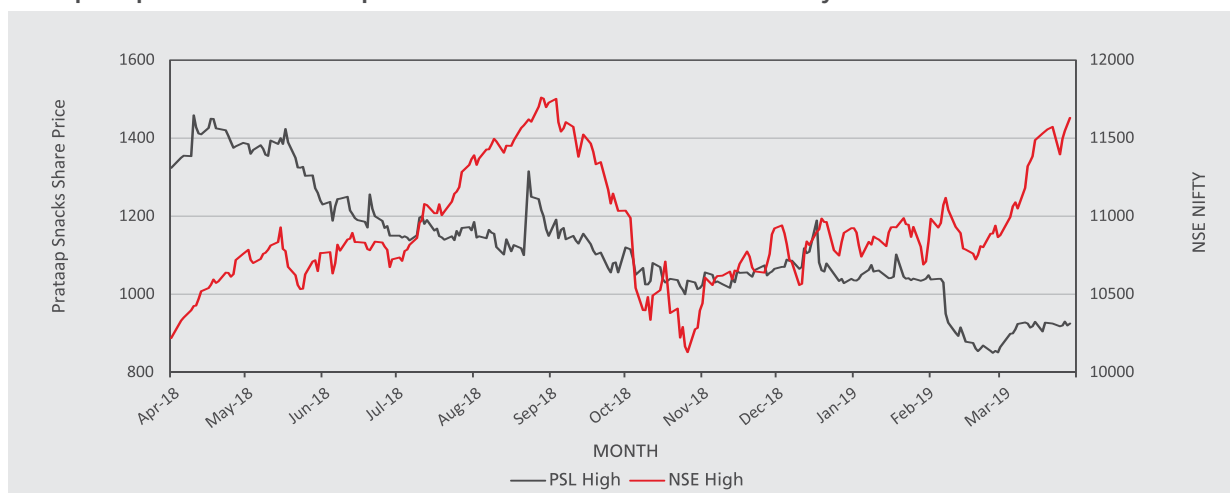
Month	BSE			NSE		
	High	Low	Monthly Volume (In Nos.)	High	Low	Monthly Volume (In Nos.)
April, 2018	1,450	1,291	11,737	1,459	1,290	3,43,720
May, 2018	1,414	1,215	10,159	1,424	1,216	1,40,434
June, 2018	1,254	1,110	69,481	1,256	1,103	1,48,030
July, 2018	1,271	1,106	3,904	1,200	1,100	1,33,961
August, 2018	1,288	1,048	93,106	1,315	1,040	9,58,262
September, 2018	1,200	1,005	11,265	1,191	1,019	1,51,239
October, 2018	1,110	982	5,592	1,120	983	77,568
November, 2018	1,080	982	4,485	1,074	995	63,240
December, 2018	1,187	1,012	90,000	1,189	1,011	2,00,338
January, 2019	1,098	1,000	11,787	1,102	1,006	30,747
February, 2019	1,050	800	12,890	1,040	811	1,45,212
March, 2019	968	828	1,731	930	820	48,468

### Share price performance in comparison to broad based indices

#### a. Share price performance in comparison to broad based indices - BSE Sensex:



#### b. Share price performance in comparison to broad based indices - NSE Nifty:







**Registrar and Share Transfer Agents :** Karvy Fintech Private Limited  
 Karvy Selenium, Tower- B,  
 Plot No. 31 & 32, Financial District,  
 Nanakramguda, Serilingampally Mandal,  
 Hyderabad-500032  
 Toll Free No.: 18003454001  
 Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
 Website: [www.karvyfintech.com](http://www.karvyfintech.com)

## SHARE TRANSFER SYSTEM

All matters pertaining to share transfer and related activities are handled by the Registrar and Share Transfer Agents of the Company who are fully equipped to carry out the transfers of shares. The transfer of shares in physical form is processed by Registrar and Share Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. All the transfer of physical shares are placed before the Stakeholders Relationship Committee for approval. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective depository participants. The average time taken for processing share transfer requests in physical form including dispatch of share certificates is generally thirty days, on receipt of duly completed documents in all respects, while the request for dematerialization of equity shares is confirmed/ rejected within an average period of 15 days. Transmission requests were processed for shares held in dematerialized form and physical form within seven days and twenty one days, respectively, after receipt of specified documents, complete in all respect, and dispatch of share certificates in physical mode were generally completed within thirty days. As per amended Regulation 40 of Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed with effect from 1<sup>st</sup> April, 2019 unless the securities are held in the dematerialized form with a depository. Members are therefore advised to dematerialise their holding of equity shares in the Company for facilitating transfer of shares. The Company obtains from the Company Secretary in practice half-yearly certificate of compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the stock exchange(s).

## Distribution of shareholding as on 31<sup>st</sup> March, 2019

Number of equity shares held	Number of shareholders	% of shareholders	Number of shares held	% of shareholding
1 - 5,000	11,947	99.29	4,71,895	2.01
5,001 - 10,000	22	0.18	1,47,118	0.63
10,001 - 20,000	13	0.11	2,07,594	0.89
20,001 - 30,000	6	0.05	1,39,219	0.59
30,001 - 40,000	2	0.02	75,487	0.32
40,001 - 50,000	2	0.02	93,000	0.40
50,001 - 1,00,000	11	0.09	7,39,682	3.15
1,00,001 and above	29	0.24	2,15,79,041	92.01
<b>Grand Total</b>	<b>12,032</b>	<b>100.00</b>	<b>2,34,53,036</b>	<b>100.00</b>

## Shareholding pattern as on 31<sup>st</sup> March, 2019

Shareholders	No. of shares held	% of Holding
Promoter & Promoter Group	1,67,52,629	71.43
Mutual Funds	22,42,002	9.56
Foreign Portfolio Investors	21,16,780	9.03
Resident Individual HUF, Trust	9,76,536	4.16
Alternative Investment Fund	8,50,899	3.63
Foreign Corporate Bodies	4,26,439	1.82
Corporate Bodies	71,639	0.30
Non-Resident Individual	15,469	0.07
Banks, Financial Institution	643	0.00
<b>Total</b>	<b>2,34,53,036</b>	<b>100.00</b>

## Dematerialization of shares and liquidity:

2,34,46,085 equity shares representing 99.97% of the total issued and listed equity share capital of the Company are held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31<sup>st</sup> March, 2019.

## Outstanding GDR/ADR/ Warrants or any Convertible instruments, Conversion date and likely Impact on equity:

There are no GDRs/ADRs/Warrants or Convertible instruments outstanding as on 31<sup>st</sup> March, 2019.

## Commodity price risk or foreign exchange risk and hedging activities:

### (i) Commodity price risk and hedging activities

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/000000141 dated 15<sup>th</sup> November, 2018.

### (ii) Foreign exchange risk and hedging activities

During the year ended 31<sup>st</sup> March, 2019, the foreign exchange exposure of the Company is nominal. The Company's management oversees the management of the risk. The details of foreign currency exposure are enclosed in Note No.47 of Notes to standalone financial statements in the Annual Report.

**Credit ratings**

During the year ended 31<sup>st</sup> March, 2019, the Company has obtained following credit ratings:

Instrument	Credit Rating	Agency
Long-term Fund-based cash credit	A+	ICRA Limited
Long-term Fund based term loan	A+	ICRA Limited

**Dividend**

The Board of Directors at their Meeting held on 21<sup>st</sup> May, 2019, has recommended dividend @ 20% on equity shares of ₹ 5/- each of the Company (i.e. ₹ 1/- per equity share), subject to approval of members at the ensuing Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2019.

**Plant locations**

State	Address
<b>Owned location</b>	
Madhya Pradesh	Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452020, (M.P.)
Assam	1. North Guwahati, IOC Road, Main Road, Gauripur, Near Gauripur Thana, Amingaon, Dist. Kamrup, Guwahati-781031, Assam 2. Plot No. 40-41, Brahmaputra Industrial Park, Amingaon Guwahati 781031, Assam
<b>Job work location</b>	
Karnataka	1. No. 260, Bommasandra Jigani Link Road, Jigani Hobli, Anekal Taluk, Bengaluru (Bangalore) Urban, -560105, Karnataka 2. Industrial Area, Vasanthnarsapur Kora Hobli No. 26B Tumkur-572138, Karnataka
West Bengal	Chakundi Dankuni, Hooghly 712 310, West Bengal
Gujrat	Plot No. 26/A, Ozone Industrial Park, Near Kerala GIDC, Taluka. Bavla, Ahmedabad-382220, Gujarat
Uttarakhand	Khasra No. 53, Narain Nagar Industrial Estate, Bazpur Road, Kashipur, Udham Singh Nagar-244713, Uttarakhand
Madhya Pradesh	H-1 Behind Shishukunj International School, By Pass Road, Jalaria, Indore 452016, (M.P.)
Maharashtra	GAT No.142, Pali Budruk, Wavarle, Village Pali Budrak, Taluka, Khalapur, Raigad-410206, Maharashtra

**Address for correspondence**

Compliance Officer	Registrar and Share Transfer Agent	Correspondence with the Company
Mr. Om Prakash Pandey Company Secretary & Compliance Officer Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452020, (M.P.) Ph.: +91 731 2439911 Email: <a href="mailto:complianceofficer@yellowdiamond.in">complianceofficer@yellowdiamond.in</a>	Karvy Fintech Private Limited Karvy Selenium, Tower- B Plot No. 31 & 32, Financial District, Nanakramguda Hyderabad-500032 Toll Free No.: 18003454001 E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>	Prataap Snacks Limited Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452020, (M.P.) Ph.: +91 731 2439999 E-mail: <a href="mailto:complianceofficer@yellowdiamond.in">complianceofficer@yellowdiamond.in</a>

**Unclaimed dividend**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of Section 125 of the Companies Act, 2013. During the year ended 31<sup>st</sup> March, 2019, no amount was transferred to IEPF as there was no unpaid /unclaimed dividend for a period of seven years or more.

**Demat suspense account/Unclaimed suspense account**

The disclosure with respect to demat suspense account/unclaimed suspense account is not applicable as there are no shares issued pursuant to the public issue or any other issue, physical or otherwise, remain unclaimed and/or lying in the escrow account.

## OTHER DISCLOSURES:

- (a) There were no material significant related party transactions during the financial year 2018-19 which are considered to have potential conflict with the interests of the Company at large. Particulars and nature of transactions with the related parties entered into during the year ended 31<sup>st</sup> March, 2019, are disclosed in compliance with the “Ind AS” on Related Party Disclosure in Note No. 40 of Notes to financial statements in the Annual Report.
- (b) The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities/regulatory on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities on matter relating to capital markets.
- (c) The Company has adopted a Vigil Mechanism/Whistle Blower Policy for developing a culture where it is safe for all directors/employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee. The quarterly report with number of complaints received if any, under the policy and their outcome is being placed before the Audit Committee.
- (d) The Company has complied with all the mandatory requirements as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations, to the extent applicable to the Company. The Company has presently not adopted the discretionary requirement of sending half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders. However, discretionary requirements viz. regime of financial statements with unmodified audit opinion and internal auditor may directly report to the Audit Committee are complied with. The discretionary requirement of maintenance of non-executive chairperson’s office is not applicable.
- (e) The Company has formulated a policy for determining ‘material’ subsidiary of the Company. The said Policy is available on the website of the Company and can be accessed through web link <http://www.yellowdiamond.in/wp-content/uploads/2019/05/Policy-for-determining-material-subsiary-1-1.pdf>
- (f) The Company has formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. The said Policy is available on the website of the Company and can be accessed through web link

<http://www.yellowdiamond.in/wp-content/uploads/2018/01/Policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf>

- (g) The Company has not raised any fund through preferential allotment or qualified institutions placement, hence the disclosure of details of utilization of the fund as specified under Regulation 32(7A) of the Listing Regulations is not applicable.
- (h) The Company has obtained a Certificate from M/s. Ritesh Gupta & Co., Company Secretaries in practice certifying that none of the Directors on the Board of the Company for the year ended on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority.
- (i) During the year ended 31<sup>st</sup> March, 2019, the Board had accepted all the recommendations of the Committees, which are mandatorily required.
- (j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to S R B C & CO LLP, the Statutory Auditor of the Company and other firms in the network entity of which the Statutory Auditor is a part as included in the consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2019, is as follows:
- |   | ₹ in lakhs |
|---|------------|
| Fees for audit and related services paid to S R B C & CO LLP and affiliates firms and to entities of the network of which the statutory auditor is a part | 56.89      |
| Other fees paid to S R B C & CO LLP and affiliates firms and to the entities of the network of which the statutory auditor is a part                      | 63.18      |
- (k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:
- i. number of complaints filed during the financial year: Nil
  - ii. number of complaints disposed of during the financial year: Nil
  - iii. number of complaints pending as on end of the financial year: Nil
- (l) In preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the applicable Indian Accounting Standards (Ind AS) as notified under Section 133 of the

Companies Act, 2013 was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No. 2.3 of Notes to financial statements in the Annual Report.

(m) In accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director & Chief Executive Officer and the Chief Financial Officer have furnished a duly signed Compliance

Certificate to the Board of Directors for the year ended 31<sup>st</sup> March, 2019.

(n) Under the Company's Code of Conduct for regulating, monitoring and reporting of trading in securities of the Company as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 2015, Mr. Om Prakash Pandey, Company Secretary & Compliance Officer has been designated as the Compliance Officer of the Company.

### Disclosure of the compliance with Corporate Governance requirements

The disclosure of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations are given below:

Regulation	Particulars of Regulations	Compliance status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Not Applicable. However, the Company has constituted the Risk Management Committee.
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

### Declaration by the Chief Executive Officer

The Managing Director & Chief Executive Officer of the Company has given a declaration that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March, 2019.

### Compliance Certificate from Statutory Auditors

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

### Compliance with Secretarial Standards

The applicable Secretarial Standards as issued by the Institute of Company Secretaries of India have been duly complied with and adhered to by the Company.

## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under Regulation 34(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare that all members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March 2019.

For **Prataap Snacks Limited**

Place: Indore  
Date: 21<sup>st</sup> May, 2019

**Amit Kumar**  
Managing Director and Chief Executive Officer



## CEO AND CFO CERTIFICATE

To,  
The Board of Directors  
Prataap Snacks Limited  
Khasra No. 378/2, Nemawar Road,  
Near Makrand House, Palda,  
Indore - 452 020 (M.P.)

### **Re: Compliance Certificate of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, Amit Kumat, Managing Director & Chief Executive Officer (CEO) and Sumit Sharma, Chief Financial Officer (CFO) of Prataap Snacks Limited hereby certify that:-

- A. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief:
- (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2019, which are fraudulent, illegal or violative of the Company's Code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) there have been no significant changes in internal control over financial reporting during the year;
  - (2) the significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - (3) there have been no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Amit Kumat**  
Managing Director and Chief Executive Officer

Place: Indore  
Date: 21<sup>st</sup> May, 2019

**Sumit Sharma**  
Chief Financial Officer

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
Prataap Snacks Limited  
Khasra No. 378/2, Nemawar Road,  
Near Makrand House,  
Indore (M.P.)-452020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the **Prataap Snacks Limited having (CIN: L15311MP2009PLC021746)** and having registered office at Khasra No. 378/2, Nemawar Road, Near Makrand House, Indore (MP)-452020 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Director	DIN
1.	Mr. Haresh Ram Chawla	00029828
2.	Mr. Vineet Kumar Kapila	00056582
3.	Mr. Arvind Kumar Mehta	00215183
4.	Mr. Chetan Kumar Mathur	00437558
5.	Dr. Om Prakash Manchanda	02099404
6.	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	02604007
7.	Mr. Apoorva Kumat	02630764
8.	Mr. Amit Kumar Kumat	02663687
9.	Mr. Bharadwaj Thiruvenkata Venkatavaraghavan	02918495
10.	Mrs. Anisha Motwani	06943493

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ritesh Gupta & Co.**  
Company Secretaries

Date: 21.05.2019  
Place: Indore

**Ritesh Gupta**  
CP: 3764|FCS:5200



## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of Prataap Snacks Limited  
Khasra No. 378/2, Nemawar Road,  
Near Makrand House Gram Palda,  
Indore, Madhya Pradesh 452020

1. The Corporate Governance Report prepared by Prataap Snacks Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ("Applicable criteria") with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
- Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;
  - Obtained and read the minutes of the following committee meetings held between April 1, 2018 to March 31, 2019:
    - Board of Directors meetings;
    - Audit committee meetings;
    - Annual General meeting;
    - Nomination and remuneration committee meetings;
    - Stakeholders Relationship Committee meetings;
    - Independent directors meetings; and
    - Risk management committee meetings;
  - Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
  - Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### Opinion

8. Based on the procedures performed by us as referred in paragraph 8 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 2 above.

#### Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**

Partner

Membership Number: 112773

UDIN: 19112773AAAACO7741

Indore

May 21, 2019





# Independent Auditor's Report

To the Members of Prataap Snacks Limited (formerly known as "Prataap Snacks Private Limited")

## REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying standalone Ind AS financial statements of Prataap Snacks Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

### BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 audit opinion on the standalone Ind AS financial statements.

### KEY AUDIT MATTERS

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Revenue recognition-Determination of transaction price (Refer Note 2.3 (C) and 29 of the Standalone Ind AS financial statements)</b></p> <p>Revenue is recognized on satisfaction of performance obligation i.e. when goods are delivered to customers. The Company considers the terms of the contract and its customary business practices to determine the transaction price which includes variable consideration (discounts, rebates, incentives, performance bonuses and right to return etc).</p> <p>In certain cases, such variable consideration is not determined until claims with appropriate evidence is presented by the customer to the Company, which may be some time after the date of sale. Estimation of variable consideration is done based on terms of contract, incentive schemes and historical experience.</p> <p>Revenue recognition is considered as key audit matter due to significant judgement required in estimation of variable consideration and the magnitude of amount involved.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures included considering the Company's revenue recognition accounting policies specifically the process and methodology used for determination of transaction price including estimation of variable consideration</li> <li>• We have performed test of controls over revenue recognition with specific focus on determination of transaction price including estimation of variable consideration through inspection of evidence of performance of controls.</li> <li>• We performed the following test of details for a sample of transactions:               <ul style="list-style-type: none"> <li>– Read the terms of contract including incentive schemes as approved by authorized personnel</li> <li>– Evaluated the assumptions used in estimation of variable consideration by comparing with the budgets, past trends and understand the reasons for deviation</li> <li>– Performed retrospective review to identify significant variances and assess whether those variances have been considered in estimation of variable consideration</li> </ul> </li> <li>• We assessed the presentation and disclosures in the Ind AS financial statements as per Ind AS 115.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

### OTHER INFORMATION

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

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

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

### RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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, we give in the "Annexure 1" 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:
  - i. 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;
  - ii. 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;
  - iii. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of

Changes in Equity dealt with by this Report are in agreement with the books of account;

- iv. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- v. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- vii. In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**  
Partner

Place of Signature: Indore  
Date: May 21, 2019

Membership Number: 112773  
UDIN: 19112773AAAACM3603

# Annexure 1

**Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date Re: Prataap Snacks Limited (formerly known as 'Prataap Snacks Private Limited")**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment and Investment property are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) The Company has granted loans to two parties covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loans that are re-payable on demand, to two parties covered in the register maintained under section 189 of the Act. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, goods and services tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks. As informed, the Company does not have any borrowings from a financial institution or by way of debentures or from Government.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of initial public offer and term loans were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was ₹ 13,923.10 lakhs, of which ₹ 3,924.59 lakhs was outstanding at the end of the year.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**  
Partner

Place of Signature: Indore

Date: May 21, 2019

Membership Number: 112773

UDIN: 19112773AAAACM3603

## Annexure 2

### To the Independent Auditor's Report of even date on the Standalone Financial Statements of Prataap Snacks Limited (formerly known as 'Prataap Snacks Private Limited')

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

We have audited the internal financial controls over financial reporting of Prataap Snacks Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

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

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

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

#### OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**  
Partner

Place of Signature: Indore  
Date: May 21, 2019

Membership Number: 112773  
UDIN: 19112773AAAACM3603



# Standalone Balance Sheet

as at March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	31 March 2019 ₹ lakhs	31 March 2018 ₹ lakhs	1 April 2017 ₹ lakhs
<b>I ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a) Property, plant and equipment	3	20,709.21	20,430.31	19,222.83
(b) Capital work-in-progress	3	62.65	159.19	182.73
(c) Investment property	4	1,729.20	1,772.79	482.85
(d) Investment property under development	4	-	-	1,306.00
(e) Intangible assets	5	208.55	351.18	765.39
(f) Intangible assets under development	5	1.15	83.23	1.15
(g) Financial assets				
(i) Investments	6	24,031.86	3,373.86	410.31
(ii) Loans	7	1,578.11	4,267.65	2,983.48
(iii) Other non-current financial assets	8	1,198.80	561.39	509.81
(h) Deferred tax assets (net)	23	490.63	480.46	857.93
(i) Tax assets (net)	9	168.04	-	124.66
(j) Other non-current assets	10	287.75	432.59	169.15
<b>TOTAL NON-CURRENT ASSETS</b>		<b>50,465.95</b>	<b>31,912.65</b>	<b>27,016.29</b>
<b>CURRENT ASSETS</b>				
(a) Inventories	11	10,598.17	8,692.68	7,886.80
(b) Financial assets				
(i) Trade receivables	12	2,775.35	2,020.35	1,450.95
(ii) Cash and cash equivalents	13	1,952.36	5,157.72	658.72
(iii) Bank balance (other than (ii) above)	14	5,306.44	16,134.04	287.03
(iv) Loans	15	3,555.22	85.59	77.34
(v) Other current financial assets	16	233.60	1,496.72	605.02
(c) Other current assets	17	1,565.96	1,367.58	1,186.77
<b>TOTAL CURRENT ASSETS</b>		<b>25,987.10</b>	<b>34,954.68</b>	<b>12,152.63</b>
<b>TOTAL ASSETS</b>		<b>76,453.05</b>	<b>66,867.33</b>	<b>39,168.92</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	18	1,172.65	1,172.65	190.55
(b) Other equity	19	56,239.30	51,878.21	24,216.19
<b>TOTAL EQUITY</b>		<b>57,411.95</b>	<b>53,050.86</b>	<b>24,406.74</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES:</b>				
(a) Financial liabilities				
(i) Borrowings	20	-	-	1,275.80
(ii) Other non-current financial liabilities	21	6,858.00	-	-
(b) Provisions	22	267.97	229.05	168.43
(c) Tax liabilities (net)	28	-	2.35	-
(d) Other non-current liabilities	24	593.82	323.28	385.66
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,719.79</b>	<b>554.68</b>	<b>1,829.89</b>
<b>CURRENT LIABILITIES:</b>				
(a) Financial liabilities				
(i) Borrowings	20	1,758.89	748.24	2,688.88
(ii) Trade payables				
Total Outstanding Dues of Micro Enterprises and Small Enterprises	25	-	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	25	7,651.04	9,559.38	7,157.56
(iii) Other current financial liabilities	26	696.23	1,974.36	2,386.57
(b) Provisions	22	47.23	42.00	27.26
(c) Other current liabilities	27	1,167.92	937.81	672.02
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,321.31</b>	<b>13,261.79</b>	<b>12,932.29</b>
<b>TOTAL LIABILITIES</b>		<b>19,041.10</b>	<b>13,816.47</b>	<b>14,762.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>76,453.05</b>	<b>66,867.33</b>	<b>39,168.92</b>
Summary of significant accounting policies	2.3			

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

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003

Chartered Accountants

per **Abhishek Agarwal**

Partner

Membership no.: 112773

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

(formerly known as Prataap Snacks Private Limited)

**Amit Kumat**

Managing Director and Chief Executive Officer

DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

Place: Indore

Date: May 21, 2019

**Apoorva Kumat**

Executive Director (Operations)

DIN - 02630764

**Om Prakash Pandey**

Company Secretary

Place: Indore

Date: May 21, 2019

# Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
		₹ lakhs	₹ lakhs
I Revenue from operations	29	1,06,891.66	1,01,159.44
II Other income	30	1,427.19	1,065.53
<b>III TOTAL INCOME (I + II)</b>		<b>1,08,318.85</b>	<b>1,02,224.97</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	31	72,838.55	66,275.60
(b) Purchases of stock-in-trade		1,153.64	2,146.36
(c) Changes in inventories of finished goods and stock-in-trade	32	107.51	(166.19)
(d) Excise duty on sale of goods		-	104.74
(e) Employee benefits expense	33	3,761.62	3,587.26
(f) Finance costs	34	77.28	288.78
(g) Depreciation and amortisation expense	35	2,841.41	2,929.66
(h) Other expenses	36	21,585.68	20,279.26
<b>TOTAL EXPENSES</b>		<b>1,02,365.69</b>	<b>95,445.47</b>
<b>V Profit before tax (III - IV)</b>		<b>5,953.16</b>	<b>6,779.50</b>
<b>VI Tax expenses</b>			
(a) Current tax	23	1,321.96	1,526.82
(b) Deferred tax	23	(15.29)	374.43
<b>Total tax expenses</b>		<b>1,306.67</b>	<b>1,901.25</b>
<b>VII Profit for the year (V - VI)</b>		<b>4,646.49</b>	<b>4,878.25</b>
<b>VIII Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement gain / (loss) on defined benefit plan	38	14.62	8.80
(b) Income tax relating to above	23	(5.11)	(3.05)
<b>Total other comprehensive income for the year (net of tax)</b>		<b>9.51</b>	<b>5.75</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>4,656.00</b>	<b>4,884.00</b>
<b>X Earnings per equity share:</b>			
[Equity shares of face value of ₹ 5 (31 March 2018: ₹ 5) each]			
(a) Basic	37	<b>19.81</b>	<b>22.86</b>
(b) Diluted	37	<b>19.81</b>	<b>22.00</b>
Summary of significant accounting policies	2.3		

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

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

per **Abhishek Agarwal**  
Partner  
Membership no.: 112773

Place: Indore  
Date: May 21, 2019

For and on behalf of the Board of Directors of  
**Prataap Snacks Limited**  
(formerly known as Prataap Snacks Private Limited)

**Amit Kumat**  
Managing Director and Chief Executive Officer  
DIN - 02663687

**Sumit Sharma**  
Chief Financial Officer

Place: Indore  
Date: May 21, 2019

**Apoorva Kumat**  
Executive Director (Operations)  
DIN - 02630764

**Om Prakash Pandey**  
Company Secretary





# Standalone Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## A. EQUITY SHARE CAPITAL:

Equity shares issued, subscribed and fully paid	No. in lakhs	₹ lakhs
<b>At 1 April 2017</b>	<b>190.55</b>	<b>190.55</b>
Changes in equity share capital during 2017-18:		
Conversion of CCPS to equity	69.30	69.30
<b>Equity share capital post conversion of CCPS</b>	<b>259.85</b>	<b>259.85</b>
Consolidation of equity shares during the year*	51.97	259.85
Issued during the year - Bonus issue	155.91	779.54
Issued during the year - Fresh issue**	26.65	133.26
<b>At 31 March 2018</b>	<b>234.53</b>	<b>1,172.65</b>
<b>At 31 March 2019</b>	<b>234.53</b>	<b>1,172.65</b>

\* aggregate number of equity shares held post sub-division of shares of face value of ₹ 1 each into equity shares of face value of ₹ 5 each.

\*\*fresh issue of shares - The Company had completed IPO in the year ended 31 March 2018 of fresh issue of 26.65 lakhs equity shares (including pre IPO of 5.33 lakhs equity shares) of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. 5 October 2017.

## B. OTHER EQUITY:

For the year ended 31 March 2019

	Capital reserve	Securities premium	Retained earnings	Equity component of compound financial instrument	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 31 March 2018</b>	-	<b>38,294.93</b>	<b>13,583.28</b>	-	<b>51,878.21</b>
Net profit for the year	-	-	4,646.49	-	4,646.49
Other comprehensive income	-	-	9.51	-	9.51
<b>Total comprehensive income</b>	-	-	<b>4,656.00</b>	-	<b>4,656.00</b>
Utilisation towards expenses incurred in Initial Public Offer ('IPO') (refer note 44)	-	(12.17)	-	-	(12.17)
<b>Transactions with owners in their capacity as owners:</b>					
Dividends paid on equity shares (including dividend distribution tax of ₹ 48.21 lakhs)	-	-	(282.74)	-	(282.74)
<b>As at 31 March 2019</b>	-	<b>38,282.76</b>	<b>17,956.54</b>	-	<b>56,239.30</b>

# Standalone Statement of Changes in Equity

for the year ended March 31, 2019 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

For the year ended 31 March 2018

	Capital reserve	Securities premium	Retained earnings	Equity component of compound financial instrument	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 1 April 2017</b>	<b>769.93</b>	<b>14,631.48</b>	<b>8,699.28</b>	<b>115.50</b>	<b>24,216.19</b>
Net profit for the year	-	-	4,878.25	-	4,878.25
Other comprehensive income	-	-	5.75	-	5.75
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4,884.00</b>	<b>-</b>	<b>4,884.00</b>
Amount utilised towards issue of fully paid bonus shares	(769.93)	(9.61)	-	-	(779.54)
Premium on conversion of CCPS into equity shares	-	46.20	-	-	46.20
Premium on issue of equity shares	-	24,852.52	-	-	24,852.52
Utilisation towards expenses incurred in Initial Public Offer ('IPO')	-	(1,225.66)	-	-	(1,225.66)
Conversion of CCPS to equity	-	-	-	(115.50)	(115.50)
<b>As at 31 March 2018</b>	<b>-</b>	<b>38,294.93</b>	<b>13,583.28</b>	<b>-</b>	<b>51,878.21</b>

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003

Chartered Accountants

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

(formerly known as Prataap Snacks Private Limited)

per **Abhishek Agarwal**  
Partner  
Membership no.: 112773

**Amit Kumat**  
Managing Director and Chief Executive Officer  
DIN - 02663687

**Apoorva Kumat**  
Executive Director (Operations)  
DIN - 02630764

**Sumit Sharma**  
Chief Financial Officer

**Om Prakash Pandey**  
Company Secretary

Place: Indore  
Date: May 21, 2019

Place: Indore  
Date: May 21, 2019



# Cash Flows Statement

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>5,953.16</b>	<b>6,779.50</b>
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expense	2,841.41	2,929.66
Loss on sale of property, plant and equipment	2.72	27.86
Loss on discard of property, plant and equipment	8.52	27.65
Provision for slow moving inventory	83.30	-
Provision for doubtful receivables and advances	33.87	297.28
Unrealised exchange loss / (gain)	-	35.32
Amortisation of deferred Government grant	(91.07)	(62.38)
Interest expenses	58.88	222.20
Interest income	(1,316.96)	(959.14)
<b>Operating profit before working capital changes</b>	<b>7,573.83</b>	<b>9,297.95</b>
Working capital adjustments:		
Decrease / (increase) in inventories	(1,988.79)	(805.88)
Decrease / (increase) in trade receivables	(811.64)	(635.67)
Decrease / (increase) in loans	5.25	3.91
Decrease / (increase) in other financial assets	83.11	(929.30)
Decrease / (increase) in other assets	(172.84)	(413.58)
Increase/ (decrease) in trade payables	(1,908.34)	2,401.82
Increase / (decrease) in other financial liabilities	(980.49)	815.08
Increase / (decrease) in provisions	58.77	84.16
Increase / (decrease) in other liabilities	591.72	265.80
	<b>2,450.58</b>	<b>10,084.30</b>
Income tax paid (including TDS) (net)	(1,524.94)	(1,445.38)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>925.64</b>	<b>8,638.92</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(2,885.20)	(3,827.50)
Proceeds from sale of property, plant and equipment	28.71	11.97
Purchase of intangibles including assets under development	(78.14)	(103.61)
Purchase / Construction of non-current investment	-	(1.98)
Investment in subsidiary	(13,800.00)	(2,963.55)
Loan to subsidiary	(550.09)	(1,005.52)
Repayment of loan by employees welfare trust	113.50	-
Net movement in fixed deposits with banks (having original maturity of more than three months)	10,763.79	(15,615.12)
Interest received	1,013.60	422.26
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(5,393.83)</b>	<b>(23,083.05)</b>

# Cash Flows Statement

for the year ended March 31, 2019 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	-	133.26
Proceeds from premium on issuance of equity share capital	-	23,626.86
Proceeds from short-term borrowings	1,750.00	-
Repayment of long-term borrowings	-	(2,686.57)
Repayment of short-term borrowings	(747.85)	(1,976.36)
Proceeds from receipt of government grant	560.44	-
Interest paid	(17.01)	(154.06)
Dividend (including dividend distribution tax)	(282.74)	#
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>1,262.84</b>	<b>18,943.13</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,205.36)</b>	<b>4,499.00</b>
Cash and cash equivalents at the beginning of the year	5,157.72	658.72
<b>Cash and cash equivalents at the end (refer Note 13)</b>	<b>1,952.36</b>	<b>5,157.72</b>
# Amount in ₹ denotes		
Dividend (including dividend distribution tax)	-	162

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003

Chartered Accountants

per **Abhishek Agarwal**

Partner

Membership no.: 112773

Place: Indore

Date: May 21, 2019

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

(formerly known as Prataap Snacks Private Limited)

**Amit Kumat**

Managing Director and Chief Executive Officer

DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

Place: Indore

Date: May 21, 2019

**Apoorva Kumat**

Executive Director (Operations)

DIN - 02630764

**Om Prakash Pandey**

Company Secretary



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 1: CORPORATE INFORMATION

Prataap Snacks Limited ('PSL' or 'the Company') is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Company is located at Khasra no. 378/2, Nemawar Road, near Makrand House, Indore, Madhya Pradesh, 452020, India having CIN L15311MP2009PLC021746. The Company is principally engaged in the business of snacks food.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 21 May 2019.

## NOTE 2.2: BASIS OF PREPARATION

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

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Contingent consideration

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

## NOTE 2.3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A) Current vs Non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

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

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

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

**(ii) Taxes**

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

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

The Company provides discount and rebates on sales to certain customers based on sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. The estimation of variable consideration is done based on terms of contract, incentive scheme and historical experience. The Company determines that the estimates of discounts are not constrained based on its historical experience, business forecast and the current economic conditions. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected discount.

**C) Revenue from operations**

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

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

it typically controls the goods or services before transferring them to the customer.

**Sale of goods**

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

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

**Variable consideration**

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

The Company provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. The estimation of variable consideration is done based on terms of contract, incentive scheme and historical experience and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A refund liability included in other current financial liabilities is recognised for expected discounts and



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

rebates payable to customers in relation to sales made until the end of the reporting period.

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

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

## Contract balances

### Contract assets

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

### Trade receivables

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

### Contract liabilities

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

## (ii) Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter

period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

## (iii) Rental income

The Company's policy for recognition of revenue from operating leases is described in Note 2.3 J below.

## D) Government grants

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

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

## E) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate,

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

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

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

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

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

Property, plant and equipment	Useful lives
Factory building	30 years
Plant and equipments*	10 years or 21 years
Electrical installations	10 years
Furniture and fixtures	10 years
Computers*	3 years to 6 years
Office equipments*	3 years to 5 years
Vehicles	8 years
Leasehold improvement*	Amortised over the period of lease term ranging from 9 to 10 years

\* These assets have life different from those mentioned in Schedule II of Act.

## F) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties

are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 30 years based on the technical assessment made by the management of the Company.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. In accordance with the collector's / registrar's guideline rate rates prescribed by the Government of Madhya Pradesh for the purpose of levying stamp duty.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

## G) Intangible assets

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

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

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



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

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

Intangible assets	Useful lives
Brand ambassador rights*	2. 33 years
Computer software	5 years

\* These assets has the life different from those mentioned in Schedule II of the Act.

## H) Impairment of non-financial assets

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

## I) Inventories

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

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

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

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

## J) Leases

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

### The Company as lessee

#### Operating lease

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

### The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where escalation in rent is in line with expected general inflation. Costs including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc. are recognised immediately in the statement of profit and loss.

## K) Segment reporting

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

## L) Provisions

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

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

## M) Retirement and other employee benefits

### Short term employee benefits

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

### Defined contribution plan

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

### Defined benefit plan

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

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

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

### Other long term employee benefit

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

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

## N) Taxation

### Current taxes

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Deferred taxes

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

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

- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit

will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

## Minimum alternate tax ('MAT')

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

Sales / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## O) Foreign currencies

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

### Transactions and balances

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

## P) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use

when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

## Q) Financial instruments

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## I) Financial assets

### Initial recognition and measurement

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

### Subsequent measurement

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

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

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

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

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### De-recognition

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

### Impairment of financial assets

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

ECL are measured through a loss allowance at an amount equal to the 12 months ECL (ECL that result

from those default events on the financial instrument that are possible within 12 months after the reporting date)

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

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

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

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

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

## II) Financial liabilities

### Initial recognition and measurement

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Subsequent measurement

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

## Loans and borrowings

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

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

## De-recognition

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

## III) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if

there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## R) Investment in subsidiaries

The Company's investment in subsidiaries is carried at cost.

## S) Cash and cash equivalents

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

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

## T) Borrowing cost

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

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

## U) Earnings per share

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## V) Contingent liability and contingent assets

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

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

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

## NOTE 2.4: CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

### Ind AS 115 Revenue from contracts with customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Company did not apply any of the other available optional practical expedients.

The effect of adoption of Ind AS 115 is as follows:

### Impact on statement of profit and loss [increase / (decreased) in profit]

	31 March 2018
	₹ lakhs
Revenue from contract with customers (Refer note a below)	(1,932.42)
Other expenses (Refer note a below)	1,932.42
Profit for the year	-
Earnings per share	-

There is no impact of adoption of Ind AS 115 on the balance sheet of the company as at 31 March 2018 and 1 April 2017.

The application of Ind AS 115 did not have any impact on retained earnings as at 1 April 2017 and the net profit of the current and previous periods. The cash flows from operating, investing and financing activities were not affected.

### The nature of these adjustments are described below:

Note a -The company reimburses certain sales promotion expenses to its customers, earlier these expenses were classified as other expenses and now have been netted off from sales as these are forming part of variable consideration.







# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 4: INVESTMENT PROPERTY

	Freehold land	Factory building	Investment property under development	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>I Gross carrying amount</b>				
<b>At 1 April 2017</b>	<b>482.85</b>	-	<b>1,306.00</b>	<b>1,788.85</b>
Additions	-	1,307.98	1.98	1,309.96
Transfer/capitalised	-	-	1,307.98	1,307.98
<b>At 31 March 2018</b>	<b>482.85</b>	<b>1,307.98</b>	-	<b>1,790.83</b>
Additions	-	-	-	-
Transfer/capitalised	-	-	-	-
<b>At 31 March 2019</b>	<b>482.85</b>	<b>1,307.98</b>	-	<b>1,790.83</b>
<b>II Accumulated depreciation and impairment losses</b>				
<b>At 1 April 2017</b>	-	-	-	-
Depreciation charge for the year	-	18.04	-	18.04
<b>At 31 March 2018</b>	-	<b>18.04</b>	-	<b>18.04</b>
Depreciation charge for the year	-	43.59	-	43.59
<b>At 31 March 2019</b>	-	<b>61.63</b>	-	<b>61.63</b>
<b>III Net carrying amount</b>				
<b>At 31 March 2019</b>	<b>482.85</b>	<b>1,246.35</b>	-	<b>1,729.20</b>
<b>At 31 March 2018</b>	<b>482.85</b>	<b>1,289.94</b>	-	<b>1,772.79</b>
<b>At 1 April 2017</b>	<b>482.85</b>	-	<b>1,306.00</b>	<b>1,788.85</b>

Note: Information regarding income and expenditure of investment property

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Rental income derived from investment properties	110.17	106.19
Profit arising from investment properties before depreciation and indirect expenses	110.17	106.19
Less – Depreciation	(43.59)	(18.04)
Profit arising from investment properties before indirect expenses	<b>66.58</b>	<b>88.15</b>

Note:

- The Company's investment property consist of one industrial property in Tillore, Madhya Pradesh including land on which factory building has been constructed, which is leased to wholly owned subsidiary, Pure N Sure Food Bites Private Limited.
- The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.
- Leasing arrangements: Investment property is leased to wholly owned subsidiary, Pure N Sure Food Bites Private Limited under long term operating leases with rentals payable monthly (refer Note 39).
- Factory building amounting to ₹ 1,306.00 lakhs was under development as at 1 April 2017 and the same had been capitalised during the financial year ended 31 March 2018.
- Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique (See Note below)	Fair value hierarchy (See Note below)	Fair value		
		31 March 2019	31 March 2018	1 April 2017
		₹ lakhs	₹ lakhs	₹ lakhs
Land	Collector's / Registrar's Guideline Rate	959.02	959.02	928.08
Building*	Collector's / Registrar's Guideline Rate	1,618.74	1,618.74	1,605.36

\* Includes investment property under construction, if any.

The above valuation of the investment properties are in accordance with the Collector's / Registrar's Guideline Rate prescribed by the Government of Madhya Pradesh for the purpose of levying stamp duty. The Company has referred to the Government publications rates and have made the suitable adjustments. Since the valuation is based on the published rates, the Company has classified the same under Level 2.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 5: INTANGIBLE ASSETS

	Computer software ₹ lakhs	Brand ambassador rights ₹ lakhs	Intangible assets under development ₹ lakhs	Total ₹ lakhs
<b>I Gross carrying amount</b>				
<b>At 1 April 2017</b>	<b>97.96</b>	<b>963.72</b>	<b>1.15</b>	<b>1,062.83</b>
Additions	21.53	-	103.61	125.14
Transfer/capitalised	-	-	21.53	21.53
<b>At 31 March 2018</b>	<b>119.49</b>	<b>963.72</b>	<b>83.23</b>	<b>1,166.44</b>
Additions	160.22	-	78.14	238.36
Disposals	-	235.00	-	235.00
Transfer/capitalised	-	-	160.22	160.22
<b>At 31 March 2019</b>	<b>279.71</b>	<b>728.72</b>	<b>1.15</b>	<b>1,009.58</b>
<b>II Accumulated amortisation and impairment losses</b>				
<b>At 1 April 2017</b>	<b>24.82</b>	<b>271.47</b>	<b>-</b>	<b>296.29</b>
Amortisation	22.88	412.86	-	435.74
<b>At 31 March 2018</b>	<b>47.70</b>	<b>684.33</b>	<b>-</b>	<b>732.03</b>
Amortisation	23.46	44.39	-	67.85
<b>At 31 March 2019</b>	<b>71.16</b>	<b>728.72</b>	<b>-</b>	<b>799.88</b>
<b>III Net book value</b>				
<b>At 31 March 2019</b>	<b>208.55</b>	<b>-</b>	<b>1.15</b>	<b>209.70</b>
<b>At 31 March 2018</b>	<b>71.79</b>	<b>279.39</b>	<b>83.23</b>	<b>434.41</b>
<b>At 1 April 2017</b>	<b>73.14</b>	<b>692.25</b>	<b>1.15</b>	<b>766.54</b>
<b>IV Net book value</b>				
		<b>31 March 2019</b>	<b>31 March 2018</b>	<b>1 April 2017</b>
		<b>₹ lakhs</b>	<b>₹ lakhs</b>	<b>₹ lakhs</b>
Intangible assets		<b>208.55</b>	<b>351.18</b>	<b>765.39</b>
Intangible assets under development		<b>1.15</b>	<b>83.23</b>	<b>1.15</b>

## NOTE 6: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

	31 March 2019 ₹ lakhs	31 March 2018 ₹ lakhs	1 April 2017 ₹ lakhs
<b>Measured at cost</b>			
<b>Investment in wholly owned subsidiary (Unquoted)</b>			
9.30 lakhs (31 March 2018: 9.30 lakhs and 1 April 2017: ₹ 0.10 lakhs) Equity shares of ₹ 10 each fully paid-up in Pure N Sure Food Bites Private Limited	2,938.22	2,938.22	1.22
5.00 lakhs (31 March 2018: Nil, 1 April 2017: Nil) Equity shares of ₹ 10 each fully paid-up in Avadh Snacks Private Limited (refer Note below)	19,158.00	-	-
1.02 lakhs (31 March 2018: Nil, 1 April 2017: Nil) Equity shares of ₹ 10 each, ₹ 6 each partly paid-up in Avadh Snacks Private Limited ((refer Note 39 and Note below)	1,500.00	-	-
Other equity investment in Pure N Sure Food Bites Private Limited	435.64	435.64	409.09
	<b>24,031.86</b>	<b>3,373.86</b>	<b>410.31</b>

### Note

On 1 October 2018, the Company acquired 80% (6.02 lakh equity shares) of the equity share capital of Avadh Snacks Private Limited for a cash consideration of ₹ 13,800 lakhs along with a written put option on the balance 20% (1.50 lakh equity shares) of the equity share capital (contingent consideration). The fair value of the contingent consideration on the date of acquisition is ₹ 6,858 lakhs.



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 7: FINANCIAL ASSETS - NON-CURRENT LOANS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Measured at amortised cost</b>			
Loans to related parties (refer Note 40)	1,578.11	4,267.65	2,970.94
Loans to transporters	-	-	12.54
	<b>1,578.11</b>	<b>4,267.65</b>	<b>2,983.48</b>

## NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Measured at amortised cost</b>			
Margin money deposit	2.56	5.79	130.61
Subsidy receivable	764.15	155.25	-
Security deposits	432.09	400.35	379.20
	<b>1,198.80</b>	<b>561.39</b>	<b>509.81</b>

### Note:

1. Margin money deposits pertain to deposits given to various Government / statutory authorities as security.

## NOTE 9: NON-CURRENT TAX ASSETS (NET)

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Advance income-tax [Net of provision for taxation: ₹ 1,321.96 lakhs (31 March 2018: Nil), (1 April 2017: ₹ 1,821.93 lakhs)]	168.04	-	124.66
	<b>168.04</b>	<b>-</b>	<b>124.66</b>

## NOTE 10: OTHER NON-CURRENT ASSETS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Capital advances:			
Considered good	191.78	333.85	50.17
Considered doubtful	321.88	321.88	281.23
Less: Provision for doubtful advances	(321.88)	(321.88)	(281.23)
Deferred lease	79.30	98.74	118.98
Advances to vendors:			
Unsecured considered good	16.67	-	-
	<b>287.75</b>	<b>432.59</b>	<b>169.15</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 11: INVENTORIES

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

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Raw materials [including stock-in-transit: Nil (31 March 2018: Nil), (1 April 2017: ₹ 78.29 lakhs)]	4,874.16	3,852.13	3,750.09
Packing materials [including stock-in-transit: ₹ 1.21 lakhs (31 March 2018: Nil), (1 April 2017: ₹ 3.84 lakhs)]	3,406.83	2,386.50	1,984.47
Finished goods [including stock-in-transit: ₹ 778.47 lakhs (31 March 2018: ₹ 699.95 lakhs), (1 April 2017: ₹ 643.70 lakhs)]	1,612.30	1,626.92	1,535.84
Traded goods [including stock-in-transit: ₹ 15.62 lakhs (31 March 2018: ₹ 3.00 lakhs), (1 April 2017: ₹ 9.46 lakhs)]	25.76	118.65	43.54
Stores, spares and other consumables [including stock-in-transit: Nil (31 March 2018: Nil), (1 April 2017: ₹ 1.14 lakhs)]	679.12	708.48	572.86
	<b>10,598.17</b>	<b>8,692.68</b>	<b>7,886.80</b>

### Notes:

1. The Company follows a suitable provisioning norms for writing down the value of inventories towards slow moving and non-moving. Provision for the year - ₹ 83.30 (31 March 2018: Nil).
2. For carrying amount of inventories pledged as security refer Note 20.

## NOTE 12: TRADE RECEIVABLES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Receivables considered good - Secured	385.01	331.49	197.40
Receivables considered good - Unsecured	2,390.34	1,688.86	1,253.55
Receivables which have significant increase in Credit Risk	-	-	-
Receivables - Credit impaired	274.33	198.06	131.79
Less: Allowance for credit losses (refer Note 47)	(274.33)	(198.06)	(131.79)
	<b>2,775.35</b>	<b>2,020.35</b>	<b>1,450.95</b>
Of the above, trade receivables from			
- Related parties	84.50	117.50	-
- Others	2,690.85	1,902.85	1,450.95
	<b>2,775.35</b>	<b>2,020.35</b>	<b>1,450.95</b>

### Notes:

1. No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person.
2. For terms and conditions relating to related party receivables, refer Note 40.
3. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

## NOTE 13: CASH AND CASH EQUIVALENTS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Balances with banks:			
In current accounts	1,494.73	3,465.17	448.89
Deposits with original maturity of less than three months	454.89	1,689.47	203.16
Cash on hand	2.74	3.08	6.67
	<b>1,952.36</b>	<b>5,157.72</b>	<b>658.72</b>



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 14: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Deposits with remaining maturity for less than twelve months but more than three months	4,955.59	15,811.07	111.19
Margin money deposit	350.78	322.97	175.84
Earmarked Balances with bank - unclaimed dividend	0.07	-	-
	<b>5,306.44</b>	<b>16,134.04</b>	<b>287.03</b>

Margin money deposit pertains to deposits given to various Government/statutory authorities as security.

## NOTE 15: FINANCIAL ASSETS - CURRENT LOANS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Loan to transporters:			
Unsecured considered good	2.33	12.43	17.87
Unsecured considered doubtful	4.79	4.79	4.79
Less: Allowances for credit Losses	(4.79)	(4.79)	(4.79)
Loan to related parties (refer Note 40)	3,474.88	-	-
Loan to employees	78.01	73.16	59.47
	<b>3,555.22</b>	<b>85.59</b>	<b>77.34</b>

## NOTE 16: OTHER CURRENT FINANCIAL ASSETS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Subsidy receivable	-	1,233.03	548.77
Security deposit	233.60	263.69	56.25
	<b>233.60</b>	<b>1,496.72</b>	<b>605.02</b>

## NOTE 17: OTHER CURRENT ASSETS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Advances to vendors:			
Unsecured considered good	1,206.01	1,044.75	594.12
Unsecured considered doubtful	195.76	218.53	28.17
Less: Provision for doubtful advances	(195.76)	(218.53)	(28.17)
Prepaid expenses	33.39	37.55	31.70
Balances with statutory / government authorities	306.32	265.04	100.09
Deferred lease	20.24	20.24	21.03
Share issue expenses (refer Note 44)	-	-	439.83
	<b>1,565.96</b>	<b>1,367.58</b>	<b>1,186.77</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 18: SHARE CAPITAL

### (a) Authorised share capital

	Equity shares		0.001% CCPS	
	No. in lakhs	₹ lakhs	No. in lakhs	₹ lakhs
At 1 April 2017	500.00	500.00	1.16	115.60
Change in authorised share capital during the year (300 lakhs equity shares of ₹ 5 each)	300.00	1,500.00	(1.16)	(115.60)
At 31 March 2018	300.00	1,500.00	-	-
At 31 March 2019	300.00	1,500.00	-	-

### (b) Issued, subscribed and fully paid-up equity shares capital

	No. in lakhs	₹ lakhs
At 1 April 2017 (Equity shares of ₹ 1 each issued)	190.55	190.55
Changes in equity share capital during 2017-18:		
Conversion of CCPS to equity	69.30	69.30
Equity share capital post conversion of CCPS	259.85	259.85
Consolidation of equity shares during the year*	51.97	259.85
Issued during the year - Bonus issue	155.91	779.54
Issued during the year - Fresh issue**	26.65	133.26
At 31 March 2018 (Equity shares of ₹ 5 each issued)	234.53	1,172.65
At 31 March 2019 (Equity shares of ₹ 5 each issued)	234.53	1,172.65

\* aggregate number of equity shares held post consolidation of shares of face value of ₹ 1 each into equity shares of face value of ₹ 5 each.

\*\*fresh issue of shares - The Company had completed IPO in the year ended 31 March 2018 of fresh issue of 26.65 lakhs equity shares (including pre IPO of 5.33 lakhs equity shares) of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. 5 October 2017.

### Utilisation of IPO Proceeds (including pre IPO) are as follows:

	Planned utilisation	Utilised upto	Unutilised as at
	₹ lakhs	31 March 2019	31 March 2019
	₹ lakhs	₹ lakhs	₹ lakhs
Repayment/pre-payment of borrowings	5,098.20	5,098.20	-
Funding capital expenditure requirements	2,747.80	954.50	1,793.30
Investment in subsidiary for repayment/pre-payment of borrowing	2,937.00	2,937.00	-
Marketing and brand building activities	4,000.00	1,868.71	2,131.29
General corporate purposes	5,012.90	5,012.90	-
Acquisition	3,952.00	3,952.00	-
	<b>23,747.90</b>	<b>19,823.31</b>	<b>3,924.59</b>

Balance proceeds of ₹ 3,924.59 lakhs have been deposited with scheduled commercial banks as at 31 March 2019.

### (c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 [(31 March 2018: ₹ 5),(1 April 2017: ₹ 1)] per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Each of Series A CCPS, Series A1 CCPS and Series A2 CCPS was converted into 60 equity shares of ₹ 1 each in 2017-18.



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## (d) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
<b>Equity shares</b>						
SCI Growth Investment II	83.93	35.79%	83.93	35.79%	63.45	33.30%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	23.54	10.04%	31.36	16.46%
SBI Mutual Fund	11.60	4.95%	12.91	5.50%	-	-
Mr. Rajesh Mehta	6.81	2.90%	6.81	2.90%	13.04	6.84%
Mr. Naveen Mehta	9.04	3.85%	9.04	3.85%	13.04	6.84%
<b>CCPS</b>						
SCI Growth Investment II	-	-	-	-	0.97	83.62%
Sequoia Capital India Growth Investments Holdings I	-	-	-	-	0.14	12.07%

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

## (e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 March 2019	31 March 2018	1 April 2017
	No. in lakhs	No. in lakhs	No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	-	155.91	158.79

**As at 31 March 2018** - Allotment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 3 June 2017.

**As at 1 April 2017** - Allotment of bonus shares in the ratio of 5 equity shares for every equity share of ₹ 1 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 24 September 2016.

## Dividend distribution made and proposed

	31 March 2019	31 March 2018
	₹	₹
<b>Cash dividend on preference shares paid during the year</b>		
Dividend for the year ended on 31 March 2019: Nil per share (31 March 2018: ₹ 0.001 per share)	-	134.00
Dividend distribution tax on above	-	28.00

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Cash dividend on equity shares paid during the year</b>		
Dividend for the year ended on 31 March 2019: ₹ 1 per share (31 March 2018: Nil)	234.53	-
Dividend distribution tax on above	48.21	-

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Proposed dividend on equity shares*		
Dividend for the year ended on 31 March 2019: ₹ 1 per share (31 March 2018: ₹ 1 per share)	234.53	234.53
Dividend distribution tax on above	48.21	48.21

\* Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31 March 2019.

## NOTE 19: OTHER EQUITY

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Capital reserve	-	-	769.93
Securities premium	38,282.76	38,294.93	14,631.48
Retained earnings	17,956.54	13,583.28	8,699.28
Equity component of compound financial instrument	-	-	115.50
	<b>56,239.30</b>	<b>51,878.21</b>	<b>24,216.19</b>

### Capital reserve

	₹ lakhs
<b>At 1 April 2017</b>	<b>769.93</b>
Less: Amount utilised towards issue of fully paid bonus shares	(769.93)
<b>At 31 March 2018</b>	<b>-</b>
<b>At 31 March 2019</b>	<b>-</b>

Capital reserve represents the excess of aggregate value of net assets as at 30 September 2011 over purchase consideration paid by the Company while taking over the business of manufacturing and selling of snacks of Prakash Snacks Private Limited, a related party, on a going concern/slump sale basis in financial year 2011-12.

### Securities premium

	₹ lakhs
<b>At 1 April 2017</b>	<b>14,631.48</b>
Add: Premium on conversion of CCPS into equity shares	46.20
Add: Premium on issue of equity shares	24,852.52
Less: Amount utilised towards issue of fully paid bonus shares	(9.61)
Less: Utilisation towards expenses incurred in IPO (refer Note 44)	(1,225.66)
<b>At 31 March 2018</b>	<b>38,294.93</b>
Less: Utilisation towards expenses incurred in IPO (refer Note 44)	(12.17)
<b>At 31 March 2019</b>	<b>38,282.76</b>

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





# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Retained earnings

	₹ lakhs
<b>At 1 April 2017</b>	<b>8,699.28</b>
Add: Profit during the year	4,878.25
Add: Other comprehensive income	5.75
<b>At 31 March 2018</b>	<b>13,583.28</b>
Add: Profit during the year	4,646.49
Add: Other comprehensive income	9.51
Less: Amount utilised towards payment of dividend (including dividend distribution tax)	(282.74)
<b>At 31 March 2019</b>	<b>17,956.54</b>

## Equity component of compound financial instrument

	₹ lakhs
<b>At 1 April 2017</b>	<b>115.50</b>
Less: Conversion of CCPS to equity	(115.50)
<b>At 31 March 2018</b>	<b>-</b>
<b>At 31 March 2019</b>	<b>-</b>

## NOTE 20: BORROWINGS

	31 March 2019 ₹ lakhs	31 March 2018 ₹ lakhs	1 April 2017 ₹ lakhs
<b>Non-current</b>			
<b>Measured at amortised cost</b>			
<b>Secured</b>			
<b>From banks</b>			
Indian rupee loan from banks (refer Note 1 and Note 3 below)	-	-	1,936.57
<b>Unsecured loans</b>			
Indian rupee loan from banks (refer Note 2 and Note 3 below)	-	-	750.00
	-	-	2,686.57
Less: Current maturities of long-term borrowing (refer Note 26)	-	-	(1,410.77)
	-	-	<b>1,275.80</b>
<b>Current</b>			
<b>Secured</b>			
Cash credit from bank (refer Note 4 below)	-	-	662.68
Foreign currency buyers credit (refer Note 5 below)	-	748.24	890.64
Short term loan from bank (refer Note 6 below)	-	-	829.64
Bank overdraft (refer Note 7 below)	-	-	55.47
<b>Unsecured</b>			
Short term loan from bank (refer Note 3 and 8 below)	1,758.89	-	250.45
	<b>1,758.89</b>	<b>748.24</b>	<b>2,688.88</b>
	<b>1,758.89</b>	<b>748.24</b>	<b>3,964.68</b>

### Notes:

- The following loans from banks were secured by an exclusive first charge on the entire property, plant and equipment (present as well as future) of the Company and equitable mortgage of four land properties and building thereon. The loans were also secured by a second charge on the entire current assets (present as well as future) of the Company and personally guaranteed by Mr. Arvind Mehta, Chairman and Executive Director of the Company. The loans have been prepaid during the financial year 2017-18.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Nature of Facility	Amount Disbursed	Amount Outstanding		
		31 March 2019	31 March 2018	1 April 2017
		₹ lakhs	₹ lakhs	₹ lakhs
Term Loan - I	493.39	-	-	112.78
Term Loan - II	479.18	-	-	300.85
Term Loan - III	432.00	-	-	280.33
Term Loan - IV	200.00	-	-	160.00
Term Loan - V	300.00	-	-	248.63
Term Loan - IV	923.68	-	-	833.98
	<b>2,828.25</b>	-	-	<b>1,936.57</b>

- Indian rupee unsecured loan secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company - 31 March 2019: Nil [(31 March 2018: Nil), (1 April 2017: ₹ 750.00 lakhs)].
- The aforementioned loans carry a rate of interest ranging between 8.40% and 10.35%. The interest is to be serviced as and when charged.
- Cash credit from a bank is secured by an exclusive first charge on entire stock of raw material except for potato stock in warehouse / cold storage, finished goods and book debts of all locations. The cash credit is re-payable on demand and carries an interest rate ranging between 9.65% and 9.75%. The said borrowings are secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company.
- Foreign currency buyers credit is secured against first pari passu charge over entire property, plant and equipment of the Company and second pari passu charge over entire current assets of the Company. Further the said loan is secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company.
- Short term loan from bank were secured against warehouse / cold storage receipts.
- Bank overdraft which is re-payable on demand is secured against post dated cheques issued from cash credit account and personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company.
- Unsecured short term loan from a bank with a specific condition of one undated cheque and personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company.

## NOTE 21: OTHER NON-CURRENT FINANCIAL LIABILITIES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Deferred contingent consideration (refer Note 6)	6,858.00	-	-
	<b>6,858.00</b>	-	-

## NOTE 22: PROVISIONS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Non-current provisions</b>			
<b>Provision for employee benefits:</b>			
Gratuity (refer Note 38)	267.97	229.05	168.43
	<b>267.97</b>	<b>229.05</b>	<b>168.43</b>
<b>Current provisions</b>			
<b>Provision for employee benefits:</b>			
Gratuity (refer Note 38)	26.59	21.22	15.15
Leave encashment	20.64	20.78	12.11
	<b>47.23</b>	<b>42.00</b>	<b>27.26</b>



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 23: DEFERRED TAX ASSETS / LIABILITIES

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>(a) Tax expense recognised in the statement of profit and loss</b>		
Current income tax charge	1,321.96	1,526.82
Deferred tax	(15.29)	374.43
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,306.67</b>	<b>1,901.25</b>
<b>(b) OCI Section - Income tax related to items recognised in OCI during the year:</b>		
Net gain/(loss) on remeasurements of defined benefit plans	5.11	3.05
<b>Income tax expense charged to OCI</b>	<b>5.11</b>	<b>3.05</b>
<b>(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:</b>		
Profit/(loss) before tax	5,953.16	6,779.50
Income tax expense calculated at 34.944% (31 March 2018: 34.608%)	2,080.27	2,346.25
<b>Effect of:</b>		
Effect of income that is exempt from taxation	(841.46)	(471.68)
Effect of expenses that is non-deductible in determining taxable profit	68.06	25.99
Effect of change in tax rate	-	5.62
Effect of tax on other items	(0.20)	(4.93)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>1,306.67</b>	<b>1,901.25</b>

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

	31 March 2018	Recognised in profit and Loss	Recognised in Other Comprehensive Income	31 March 2019
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Tax effect of items constituting deferred tax assets</b>				
Expenses allowable for tax purpose when paid	(43.10)	(38.83)	-	(81.92)
Provision for impairment of property, plant and equipments	(1.75)	-	-	(1.75)
Provision for doubtful receivables / loans	(259.72)	(11.83)	-	(271.56)
Provision for employee benefits	(94.72)	(17.63)	5.11	(107.23)
Other items giving rise to temporary differences	(217.92)	(143.21)	-	(361.13)
	<b>(617.19)</b>	<b>(211.50)</b>	<b>5.11</b>	<b>(823.59)</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Accelerated depreciation for tax purposes	1,278.08	33.42	-	1,311.50
	<b>1,278.08</b>	<b>33.42</b>	-	<b>1,311.50</b>
<b>Deferred tax liability / (asset)</b>	<b>660.89</b>	<b>(178.08)</b>	<b>5.11</b>	<b>487.91</b>
MAT Credit entitlement	(1,141.33)	162.79	-	(978.54)
<b>Net Deferred tax liability / (asset)</b>	<b>(480.46)</b>	<b>(15.30)</b>	<b>5.11</b>	<b>(490.63)</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Movement during the year ended 31 March 2018

	1 April 2017	Recognised in profit and Loss	Recognised in Other Comprehensive Income	31 March 2018
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Tax effect of items constituting deferred tax assets</b>				
Expenses allowable for tax purpose when paid	(42.09)	(1.01)	-	(43.10)
Provision for impairment of property, plant and equipments	(1.73)	(0.02)	-	(1.75)
Provision for doubtful receivables / loans	(154.34)	(105.38)	-	(259.72)
Provision for employee benefits	(67.72)	(30.05)	3.05	(94.72)
Other items giving rise to temporary differences	(223.92)	6.00	-	(217.92)
	<b>(489.81)</b>	<b>(130.46)</b>	<b>3.05</b>	<b>(617.21)</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Accelerated depreciation for tax purposes	1,396.61	(118.52)	-	1,278.08
	<b>1,396.61</b>	<b>(118.52)</b>	<b>-</b>	<b>1,278.08</b>
<b>Deferred tax liability / (asset)</b>	<b>906.81</b>	<b>(248.99)</b>	<b>3.05</b>	<b>660.87</b>
MAT Credit entitlement	(1,764.74)	623.41	-	(1,141.33)
<b>Net Deferred tax liability / (asset)</b>	<b>(857.93)</b>	<b>374.42</b>	<b>3.05</b>	<b>(480.46)</b>

The tax rate used for above income tax expense reconciliation for 31 March 2019 and 31 March 2018 is 34.944% and 34.608% respectively.

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

## NOTE 24: OTHER NON-CURRENT LIABILITIES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Deferred Government grant	593.82	323.28	385.66
	<b>593.82</b>	<b>323.28</b>	<b>385.66</b>
<b>At 1 April</b>	<b>385.66</b>	<b>448.04</b>	<b>510.42</b>
Received during the year	417.59	-	-
Released to the statement of profit and loss (refer Note 29)	(91.07)	(62.38)	(62.38)
<b>At 31 March</b>	<b>712.18</b>	<b>385.66</b>	<b>448.04</b>
<b>The above amount is classified as:</b>			
Non-current	593.82	323.28	385.66
Current	118.36	62.38	62.38
	<b>712.18</b>	<b>385.66</b>	<b>448.04</b>

## NOTE 25: TRADE PAYABLES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Dues to micro and small enterprises*	-	-	-
Other payables	7,651.04	9,559.38	7,157.56
	<b>7,651.04</b>	<b>9,559.38</b>	<b>7,157.56</b>

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

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

For explanations on the Company's credit risk management processes, refer Note 47.



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 26: OTHER CURRENT FINANCIAL LIABILITIES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Current maturities of long-term borrowing (refer Note 20)	-	-	1,410.77
Creditors for capital goods	315.20	850.01	666.53
Security deposits	344.25	354.25	309.26
Dividend payable	0.07	-	0.01
Refund liabilities (refer Note 29)	36.71	570.02	-
Other liabilities	-	200.08	-
	<b>696.23</b>	<b>1,974.36</b>	<b>2,386.57</b>

## NOTE 27: OTHER CURRENT LIABILITIES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Contract liabilities (Advance from customers)	579.94	649.34	528.87
Statutory dues	469.62	226.09	80.77
Deferred Government grant (refer Note 24)	118.36	62.38	62.38
	<b>1,167.92</b>	<b>937.81</b>	<b>672.02</b>

## NOTE 28: NON-CURRENT TAX LIABILITIES (NET)

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Income tax provision [Net of advance tax: Nil (31 March 2018: ₹ 3,346.54 lakhs), (1 April 2017: Nil)]	-	2.35	-
	-	<b>2.35</b>	-

## NOTE 29: REVENUE FROM OPERATIONS

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Sale of products*</b>		
Finished goods	1,04,818.67	97,313.81
Traded goods	1,441.53	2,391.78
	<b>1,06,260.20</b>	<b>99,705.59</b>
<b>Other operating revenues</b>		
Sale of starch	145.89	148.06
Scrap sales	222.55	257.72
Government grant (refer Note 43)	171.95	985.69
Deferred government grant income (refer Note 24)	91.07	62.38
	<b>631.46</b>	<b>1,453.85</b>
	<b>1,06,891.66</b>	<b>1,01,159.44</b>

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Note A: Reconciliation of revenue recognised with contract price

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Contract price	1,10,129.03	1,04,606.79
Adjustments for refund liabilities:		
Discount and rebates	3,868.83	4,901.20
<b>Revenue from contract with customers</b>	<b>1,06,260.20</b>	<b>99,705.59</b>

## Note B: Disaggregation of revenue

The Company has a single stream of revenue i.e. sale of products. However, the Company has operations spread across geographical area, viz. in India and outside India, details of which is as under:

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
India	1,05,667.03	99,082.61
Outside India	593.17	622.98

## Note C: Contract balances

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
(i) Contract assets	-	-
(ii) Trade receivables (pertaining to contract with customers)	2,775.35	2,020.35
(iii) Contract liabilities		
<b>Advance from customers</b>		
At the beginning of the year	649.34	528.87
Add: Received during the year	579.94	649.34
Less: Recognised as revenue during the year	(649.34)	(528.87)
<b>At the end of the year</b>	<b>579.94</b>	<b>649.34</b>

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised products.

## Note D: Refund liabilities

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Refund liabilities, arising from		
Discount and rebates (refer Note 26)	36.71	570.02

## NOTE 30: OTHER INCOME

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Interest income on:		
Bank deposits	883.68	643.74
On unwinding of other financial assets	48.80	71.67
Others	384.48	243.73
Rent income (refer Note 40)	110.17	106.19
Miscellaneous income	0.06	0.20
	<b>1,427.19</b>	<b>1,065.53</b>



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 31: COST OF MATERIALS CONSUMED

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Inventory at the beginning of the year	6,238.63	5,734.56
Add: Purchases	75,071.65	67,098.81
	81,310.28	72,833.37
Less : Sale of inventory	(190.74)	(319.14)
Less: Inventory at the end of the year	(8,280.99)	(6,238.63)
Cost of materials consumed	<b>72,838.55</b>	<b>66,275.60</b>

## NOTE 32: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Opening stock:		
Finished goods	1,626.92	1,535.84
Traded goods	118.65	43.54
	<b>1,745.57</b>	<b>1,579.38</b>
Less: Closing stock:		
Finished goods	1,612.30	1,626.92
Traded goods	25.76	118.65
	<b>1,638.06</b>	<b>1,745.57</b>
(Increase) / Decrease in inventories	<b>107.51</b>	<b>(166.19)</b>

## NOTE 33: EMPLOYEE BENEFITS EXPENSE

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Salaries, wages and bonus	3,318.95	3,153.69
Contribution to provident and other funds (refer Note 43)	191.68	186.83
Gratuity expense (refer Note 38)	67.24	77.04
Staff welfare expenses	183.75	169.70
	<b>3,761.62</b>	<b>3,587.26</b>

## NOTE 34: FINANCE COSTS

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Interest:		
On loans	26.29	176.60
On others	32.59	45.60
Bank charges	11.68	16.73
Exchange differences on buyers credit	6.72	49.85
	<b>77.28</b>	<b>288.78</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 35: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Depreciation of property, plant and equipment (refer Note 3)	2,729.97	2,475.88
Depreciation of investment property (refer Note 4)	43.59	18.04
Amortisation of intangible assets (refer Note 5)	67.85	435.74
	<b>2,841.41</b>	<b>2,929.66</b>

## NOTE 36: OTHER EXPENSE

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Consumption of stores, spares and other consumables	1,498.09	1,697.82
Security charges	234.74	185.37
Housekeeping charges	98.59	97.71
Power and fuel	2,529.35	2,524.14
Contract labour charges (refer Note 43)	2,946.57	2,578.55
Freight and forwarding charges	7,968.50	7,665.54
Rent / lease rent (refer Note 39)	738.21	698.16
Rates and taxes	19.80	43.51
Insurance charges	62.15	45.71
Job work charges	1,671.53	620.00
Repairs and maintenance:		
- Plant and machinery	448.75	272.09
- Buildings	198.75	176.81
- Others	149.57	110.03
Advertisement and sales promotion	1,714.10	2,230.01
Provision for doubtful receivables and advances	33.87	297.28
Travelling and conveyance	324.01	276.52
Printing and stationery	44.56	29.94
Legal and professional fees	361.20	321.75
Payment to auditor (refer Note A below)	56.89	46.83
Provision for Inventory	83.30	-
Loss on sale of property, plant and equipment	2.72	27.86
Loss on discard of property, plant and equipment	8.52	27.65
Corporate social responsibility expenditure (refer Note B below)	59.42	43.08
Directors sitting fees and commission	75.20	26.90
Other expenses	257.29	236.00
	<b>21,585.68</b>	<b>20,279.26</b>





# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
As auditor:		
Audit fee	49.60	42.00
Tax audit fee	4.00	4.00
In other capacity:		
Other services (certification fees)	2.65	0.40
Reimbursement of expenses	0.64	0.43
	<b>56.89</b>	<b>46.83</b>

\* net of IPO fees adjusted against securities premium account

## B] Details of corporate social responsibility as per Section 135 (5) of Act and Rules made thereunder:

During the year, the Company has spent ₹ 59.42 lakhs (31 March 2018: ₹ 43.08 lakhs) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act. The details are:

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
1) Gross amount required to be spent by the Company during the year	81.26	42.89
2) Amount spent by the Company during the year (in Cash):		
Construction/acquisition of any asset	-	-
On purposes other than above	59.42	43.08
3) Amount remaining to be spent by the Company during the year:	21.84	-

## NOTE 37: EARNINGS PER SHARE ('EPS')

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

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

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

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Profit attributable to equity shareholders	<b>4,646.49</b>	<b>4,878.25</b>
Weighted average number of equity shares for basic EPS	234.53	213.41
Effect of dilution:		
Compulsorily convertible preference shares	-	8.35
Weighted average number of Equity shares adjusted for the effect of dilution *	<b>234.53</b>	<b>221.76</b>
<b>Earnings per equity share (in ₹)</b>		
Basic (Face value of ₹ 5 each)	<b>19.81</b>	<b>22.86</b>
Diluted (Face value of ₹ 5 each)	<b>19.81</b>	<b>22.00</b>

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 38: EMPLOYEE BENEFITS

### (a) Defined contribution plans

#### a. Provident fund

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

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹ lakhs	₹ lakhs
<b>Included in contribution to provident and other funds</b>		
Provident fund	132.76	130.05

### (b) Defined benefit plans

#### Gratuity - Non-funded

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

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Current	26.59	21.22	15.15
Non-current	267.97	229.05	168.43
	<b>294.56</b>	<b>250.27</b>	<b>183.58</b>

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

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>I (a) Expense recognised in the statement of profit and loss for the year ended</b>		
Current service cost	49.03	39.77
Past service cost	-	24.77
Interest cost on benefit obligation	18.21	12.50
Components of defined benefit costs recognised in statement of profit and loss (refer Note 33)	<b>67.24</b>	<b>77.04</b>
<b>(b) Included in other comprehensive income</b>		
Actuarial gain / (loss) for the year on present defined benefit obligation	14.62	8.80
<b>Actuarial (gain) / loss recognised in OCI</b>	<b>14.62</b>	<b>8.80</b>
<b>II Change in present value of defined benefit obligation during the year</b>		
1. Present value of defined benefit obligation at the beginning of the year	250.27	183.58
2. Interest cost	18.21	12.50
3. Current service cost	49.03	39.77
4. Past service cost	-	24.77
5. Benefits paid	(8.33)	(1.55)
6. Total actuarial gain / (loss) on obligation	14.62	8.80
7. Present value of defined benefit obligation at the end of the year	<b>294.56</b>	<b>250.27</b>

### Details of asset-liability matching strategy

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



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

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

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

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

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

	Discount rate		
	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 0.50% increase in rate	(11.15)	(9.40)	(7.30)
Impact of 0.50% decrease in rate	11.97	10.08	7.86

	Future salary increases		
	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 0.50% increase in rate	9.88	8.64	6.99
Impact of 0.50% decrease in rate	(9.67)	(8.29)	(6.74)

	Withdrawal rate		
	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 10% increase in rate	0.52	0.31	0.87
Impact of 10% decrease in rate	(0.65)	(0.72)	(0.82)

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

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

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

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Within the next 12 months (next annual reporting period)	26.59	21.22	15.15
Between 2 and 5 years	116.13	101.42	71.14
Beyond 5 years	140.21	407.47	286.70

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.65 years (31 March 2018: 8.76 years and 1 April 2017: 8.99 years).

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 39: COMMITMENTS AND CONTINGENCIES

### I. Operating lease commitments

#### (a) Company as a lessee

The Company has entered into operating lease arrangements for its factory land and building and warehouses.

Future minimum rentals payable and charged to the statement of profit and loss under non-cancellable operating leases as at 31 March are as follows:

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Charged to the statement of profit and loss	617.30	565.84	539.80
Future minimum rentals payable under non-cancellable operating leases are as under			
- not later than one year	631.24	617.30	565.06
- later than one year but not later than five years	2,234.65	2,452.45	2,475.92
- later than five years	872.72	1,428.74	1,963.05

#### (b) Company as a lessor

The Company has entered into an agreement for leasing its investment property consisting of freehold land and factory building at Piplya Lohar, Indore to its wholly owned subsidiary, Pure N Sure Food Bites Private Limited. The agreement has a lock in period of ten years.

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Income booked in the statement of profit and loss	110.17	106.19	34.77
Future minimum rentals receivable under non-cancellable operating leases are as under			
- not later than one year	115.68	110.17	106.19
- later than one year but not later than five years	523.53	498.60	474.86
- later than five years	391.31	531.92	665.84

### II. Capital commitments

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	467.01	380.51	1,092.50

### III. Other commitments

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
(a) Preservation charges payable to cold storage owners	246.19	171.64	163.24
(b) Uncalled liability on partly paid up shares (refer note 6)	1,000.00	-	-



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## IV. Contingent liabilities (to the extent not provided for)

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Claims against the Company not acknowledged as debts			
Disputed income tax liability*	-	-	12.67
Disputed value added tax liability**	-	-	4.50
Disputed central sales tax liability (net of C Forms collected)***	-	-	4.27
Provident fund****	Amount not determinable	-	-
	-	-	<b>21.44</b>

### Notes:

\* Income tax demand as at 1 April 2017 comprise of demand from the income tax department for AY 2010-11. The Company had filed an appeal before the CIT(A) and the assessment has been closed in the year ended 31 March 2018.

\*\* Value added tax demand as at 1 April 2017 comprised of demand from the commercial taxes department for FY 2014-15. During the current year the Company has paid the disputed demand of ₹ 4.50 lakhs and the assessment has been closed in the year ended 31 March 2018.

\*\*\* Central Sales tax demand as at 1 April 2017 comprised of demand from the Central Sales tax authorities for FY 2012-13, 2013-14 and 2014-15. During the current year, the Company has submitted the required forms and supporting documentary evidences within the time granted and the assessment has been closed in the year ended 31 March 2018.

\*\*\*\* There are numerous interpretative issues relating to the Supreme Court (SC) judgement on provident fund dated 28 February 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision on receiving further clarity on the subject.

## NOTE 40: RELATED PARTY TRANSACTIONS

### I] Names of related parties and related party relationship

#### (a) Related parties where control exists:

<b>Wholly owned subsidiaries</b>	Pure N Sure Food Bites Private Limited Avadh Snacks Private Limited (w.e.f. from 1 October 2018)
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#### (b) Other related parties with whom transactions have taken place during the year:

<b>Enterprise having significant influence:</b>	SCI Growth Investment II
<b>Key management personnel</b>	Mr. Arvind Mehta, Chairman and Executive Director Mr. Amit Kumat, Managing Director and Chief Executive Officer Mr. Apoorva Kumat, Executive Director-Operations (w.e.f. from 2 November 2018) Mrs. Anisha Motwani, Independent Director Dr. Om Prakash Manchanda, Independent Director Mr. Vineet Kumar Kapila, Independent Director Mr. Hareesh Ram Chawla, Independent Director Mr. Chetan Kumar Mathur, Independent Director (w.e.f. from 7 August 2018)
<b>Relatives of key management personnel</b>	Mr. Rajesh Mehta, Brother of Mr. Arvind Mehta Mr. Naveen Mehta, Brother of Mr. Arvind Mehta Mr. Arun Mehta, Brother of Mr. Arvind Mehta Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta Mrs. Rita Mehta, Wife of Mr. Arun Mehta Mr. Apoorva Kumat, Brother of Mr. Amit Kumat (till 1 November 2018) Mrs. Premlata Kumat, Mother of Mr. Amit Kumat Mrs. Swati Bapna, Sister of Mr. Amit Kumat Mrs. Rakhee Kumat, Wife of Mr. Amit Kumat Mrs. Sandhya Kumat, Wife of Mr. Apoorva Kumat Mr. Satvik Kumat, Son of Mr. Apoorva Kumat (w.e.f. from 6 February 2019)
<b>(c) Enterprise where control over the composition of governing body exists</b>	Prataap Snacks Employees Welfare Trust

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

## a. Interest income

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Wholly owned subsidiary</b>		
Pure N Sure Food Bites Private Limited *	243.59	162.61
<b>Enterprise where control over the composition of governing body exists</b>		
Prataap Snacks Employees Welfare Trust	134.48	128.57
	<b>378.07</b>	<b>291.18</b>

\* Includes interest income on fair valuation of interest free loan amounting to ₹ 58.77 lakhs (31 March 2018: ₹ 54.21 lakhs)

## b. Rent income

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Wholly owned subsidiary</b>		
Pure N Sure Food Bites Private Limited *	110.17	106.19
	<b>110.17</b>	<b>106.19</b>

\* Includes rent income on deemed lease income on investment property amounting to ₹ Nil lakhs (31 March 2018: ₹ 26.55 lakhs)

## c. Sale of goods

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Wholly owned subsidiary</b>		
Pure N Sure Food Bites Private Limited	5.71	12.68
Avadh Snacks Private Limited	158.17	-
	<b>163.88</b>	<b>12.68</b>

## d. Purchase of goods

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Wholly owned subsidiary</b>		
Avadh Snacks Private Limited	31.39	-
	<b>31.39</b>	<b>-</b>

## e. Recovery of expenses from (refer Note 44)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Wholly owned subsidiary</b>		
Pure N Sure Food Bites Private Limited - Freight expenses	-	18.18
<b>Enterprise having significant influence</b>		
SCI Growth Investment II - IPO expenses	-	781.80
<b>Key managerial personnel</b>		
Mr. Arvind Mehta - IPO expenses	-	109.06
Mr. Amit Kumat - IPO expenses	-	69.41
<b>Relatives of key management personnel</b>		
Mr. Apoorva Kumat - IPO expenses	-	69.41
Mrs. Premlata Kumat - IPO expenses	-	46.27
Mrs. Swati Bapna - IPO expenses	-	13.22
Mrs. Kanta Mehta - IPO expenses	-	39.66
Mr. Naveen Mehta - IPO expenses	-	82.63
	<b>-</b>	<b>1,229.64</b>



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## f. Remuneration

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Key managerial personnel</b>		
Mr. Arvind Mehta*	75.00	56.25
Mr. Amit Kumat*	75.00	56.25
Mr. Apoorva Kumat*	31.25	-
Independent directors sitting fees and commission**	75.20	26.90
<b>Relatives of key management personnel</b>		
Mr. Apoorva Kumat*	43.75	56.25
Mr. Satvik Kumat*	0.57	-
	<b>300.78</b>	<b>195.65</b>

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

\*\* Includes provision for commission payable to Independent Directors for financial year ended 31 March 2019.

## g. Dividend

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Enterprise having significant influence</b>		
SCI Growth Investment II**	83.93	-
<b>Key managerial personnel</b>		
Mr. Arvind Mehta	5.60	-
Mr. Amit Kumat	5.76	-
<b>Relatives of key management personnel</b>		
Mr. Apoorva Kumat	5.48	-
Mrs. Premlata Kumat	5.59	-
Mrs. Swati Bapna	2.04	-
Mrs. Kanta Mehta	2.33	-
Mr. Naveen Mehta	9.04	-
Mr. Rajesh Mehta	6.81	-
Mr. Arun Mehta	5.72	-
Mrs. Rita Mehta	3.26	-
Mrs. Sandhya Kumat	1.30	-
Mrs. Rakhee Kumat	1.10	-
	<b>137.96</b>	<b>-</b>

\*\*Includes preference dividend of ₹ Nil (31 March 2018 : ₹ 113)

## h. Loan given

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Wholly owned subsidiary</b>		
Pure N Sure Food Bites Private Limited	550.10	1,005.52
	<b>550.10</b>	<b>1,005.52</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## i. Loan repaid

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Enterprise where control over the composition of governing body exists</b>		
Prataap Snacks Employees Welfare Trust	113.50	-
	<b>113.50</b>	<b>-</b>

## j. Closing balances

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Loans receivables*</b>			
<b>Wholly owned subsidiary</b>			
Pure N Sure Food Bites Private Limited	3,474.88	2,710.52	1,542.38
<b>Enterprise where control over the composition of governing body exists</b>			
Prataap Snacks Employees Welfare Trust	1,578.11	1,557.13	1,428.56
	<b>5,052.99</b>	<b>4,267.65</b>	<b>2,970.94</b>

\*Includes interest accrued amounting to ₹ 477.36 lakhs [(31 March 2018: ₹ 263.10 lakhs), (1 April 2017: ₹ 100.49 lakhs)] and ₹ 398.50 lakhs [(31 March 2018: ₹ 264.02 lakhs), (1 April 2017: ₹ 135.45 lakhs)] with respect to loan to Pure N Sure Food Bites Private Limited and Prataap Snacks Employees Welfare Trust respectively.

## Trade receivables

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Wholly owned subsidiary</b>			
Pure N Sure Food Bites Private Limited	80.76	117.50	-
Avadh Snacks Private Limited	3.74	-	-
	<b>84.50</b>	<b>117.50</b>	<b>-</b>

## Trade payable

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Wholly owned subsidiary</b>			
Pure N Sure Food Bites Private Limited	6.13	-	-
Avadh Snacks Private Limited	31.52	-	-
	<b>37.65</b>	<b>-</b>	<b>-</b>

## Preference dividend payable\*

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Enterprise having substantial interest</b>			
SCI Growth Investment II	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

\*Preference dividend payable of Nil [(31 March 2018: Nil), (1 April 2017: ₹ 472)]





# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Other payables (refer Note 44)

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Enterprise having significant influence</b>			
SCI Growth Investment II	-	87.67	-
<b>Key managerial personnel</b>			
Mr. Arvind Mehta	-	12.23	-
Mr. Amit Kumat	-	7.78	-
<b>Relatives of key management personnel</b>			
Mr. Apoorva Kumat	-	7.78	-
Mrs. Premlata Kumat	-	5.19	-
Mrs. Swati Bapna	-	1.48	-
Mrs. Kanta Mehta	-	4.45	-
Mr. Naveen Mehta	-	9.27	-
	-	<b>135.85</b>	-

## k. Guarantee given to banks for loans taken by the Company

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Key managerial personnel</b>			
Mr. Arvind Mehta (refer Note 20 )	-	-	-
	-	-	-

## Terms and conditions of transactions with related parties

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

## NOTE 41: SEGMENT INFORMATION

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

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

## A] Information about products and services

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Revenue from sale of goods to external customers		
Finished goods	1,04,818.67	97,313.81
Traded goods	1,441.53	2,391.78

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## B] Information about geographical areas

	Sale of goods	Non current operating assets
	₹ lakhs	₹ lakhs
<b>Year ended 31 March 2019</b>		
India	1,05,667.03	22,710.76
Outside India	593.17	-
<b>Total</b>	<b>1,06,260.20</b>	<b>22,710.76</b>
<b>Year ended 31 March 2018</b>		
India	99,082.61	22,796.70
Outside India	622.98	-
<b>Total</b>	<b>99,705.59</b>	<b>22,796.70</b>
<b>Year ended 1 April 2017</b>		
India		21,960.95
Outside India		-
<b>Total</b>		<b>21,960.95</b>

## C] Notes

- Segment revenue in the geographical segments considered for disclosure are as follows:
  - Revenue within India includes sales to customers located within India.
  - Revenue outside India includes sales to customers located outside India.
- The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.
- Non current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment property, investment property under development, intangible assets and intangible assets under development.

## NOTE 42: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF THE ACT

Included in financial assets are certain loans the particulars of which are disclosed below as required by Section 186(4) of the Act

Name of the loanee	Rate of interest	Due date	Opening balance	Loan given	Loan repaid	Closing balance
			₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Pure N Sure Food Bites Private Limited (Wholly owned subsidiary)						
<b>Year ended 31 March 2018</b>	8%	31 March 2020	1,441.90	1,005.52	-	2,447.42
<b>Year ended 31 March 2019</b>			2,447.42	550.10	-	2,997.52
Prataap Snacks Employees Welfare Trust						
<b>Year ended 31 March 2018</b>	9%	31 March 2023	1,293.11	-	-	1,293.11
<b>Year ended 31 March 2019</b>			1,293.11	-	113.50	1,179.61

## NOTE 43: GOVERNMENT GRANT

- Government grants consists of sales tax / GST incentive amounting to INR 92.90 lakhs [31 March 2018: INR 830.46 lakhs (including INR 787.51 lakhs relating to earlier years)] and freight subsidy amounting to INR 79.07 lakhs (31 March 2018: INR 155.23 lakhs) and amortisation of Government grant amounting to ₹ 91.07 lakhs [31 March 2018: 62.38 lakhs] have been received for the purchase of certain items of property, plant and equipments. There are no unfulfilled conditions or contingencies attached to these grants.



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

- (b) The Company is eligible for government grant under 'Pradhan Mantri Rojgar Protsahan Yojana' ('PMRPY') to the extent of 8.33% of the employer's contribution to the Employee's Pension Scheme on satisfaction of the terms attached to the scheme from financial year 31 March 2019 onwards. The said grant income is recognised by the Company by deducting the grant amount from the related expense. Accordingly, the contract labour expense (refer Note 36) for the year ended 31 March 2019 is lower by INR 51.23 lakhs and employee benefits expense (refer Note 33) is lower by INR 8.68 lakhs.

## NOTE 44: SHARE ISSUE EXPENSES RECOVERABLE

During the financial year ended 31 March 2018, the Company had completed its IPO through an Offer for Sale of 30.06 lakhs equity shares and a fresh issue of ₹ 21.32 lakhs equity shares of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The Company has incurred total share issue expenses ₹ 12.17 lakhs (31 March 2018: ₹ 2,953.50 lakhs). Since the issue was an offer for sale and a fresh issue, all the share issue expenses related to the IPO have been proportionately distributed between the Company and the selling shareholders. The Company's share of expenses have been adjusted against securities premium to the extent permissible under Section 52 of the Act on successful completion of IPO.

## NOTE 45: FAIR VALUES

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

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Non-current financial assets</b>						
Loans:						
Loans to related party	1,578.11	4,267.65	2,970.94	997.92	3,214.83	1,944.53
Loans to transporters	-	-	12.54	-	-	12.54
Other non-current financial assets:						
Margin money deposit	2.56	5.79	130.61	2.56	5.79	130.61
Subsidy receivable	764.15	155.25	-	757.53	155.25	-
Security deposits	432.09	400.35	379.20	441.95	389.64	397.26
<b>Current financial assets</b>						
Trade receivables	2,775.35	2,020.35	1,450.95	2,775.35	2,020.35	1,450.95
Loans	3,555.22	85.59	77.34	3,555.22	85.59	77.34
Other current financial assets	233.60	1,496.72	605.02	233.60	1,496.72	605.02
<b>Total</b>	<b>9,341.08</b>	<b>8,431.70</b>	<b>5,626.60</b>	<b>8,764.13</b>	<b>7,368.17</b>	<b>4,618.25</b>

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Non-current financial liabilities</b>						
Borrowings	-	-	1,275.80	-	-	1,072.09
Other non-current financial liabilities	6,858.00	-	-	6,858.00	-	-
<b>Current financial liabilities</b>						
Borrowings	1,758.89	748.24	2,688.88	1,758.89	748.24	2,688.88
Trade payables	7,651.04	9,559.38	7,157.56	7,651.04	9,559.38	7,157.56
Other current financial liabilities	696.23	1,974.36	2,386.57	696.23	1,974.36	2,386.57
	<b>16,964.16</b>	<b>12,281.98</b>	<b>13,508.81</b>	<b>16,964.16</b>	<b>12,281.98</b>	<b>13,305.10</b>

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

1. Security deposits, loans and advances and other financial assets are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability. Based on this evaluation, allowances are taken into account for the expected credit losses of these loans and other financial assets.
2. The fair value of bank borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

## NOTE 46: FAIR VALUE HIERARCHY

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

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

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 45</b>			
<b>Non-current financial assets</b>			
Loans:			
Loans to related party	-	997.92	-
Other current financial assets:			
Margin money deposit	-	2.56	-
Subsidy receivable	-	757.53	-
Security deposits	-	441.95	-
<b>Current financial assets</b>			
Trade receivables	-	2,775.35	-
Loans	-	3,555.22	-
Other current financial assets	-	233.60	-
<b>Non-current financial liabilities</b>			
Other non-current financial liabilities	-	-	6,858.00
<b>Current financial liabilities</b>			
Borrowings	-	1,758.89	-
Trade payables	-	7,651.04	-
Other current financial liabilities	-	696.23	-



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Fair value measurements using significant unobservable inputs (Level 3)

The following tables summarises the valuation techniques used and the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

Particulars	Fair value	Significant unobservable inputs	Sensitivity
	31 March 2019 ₹ lakhs		
Deferred contingent consideration	6,858.00	Discount rate	A change of 100 basis points would increase / decrease the fair value by INR 258 lakhs
		Expected profitability of the acquiree	A change of 100 basis points would increase / decrease the fair value by INR 286 lakhs

\* The fair valuation of the deferred contingent consideration is done basis management estimate of the maximum earn out value that will be payable against put option to purchase balance 20% stake in Avadh Snacks Private Limited, discounted to present value using pre tax rate of 9%

## A reconciliation of fair value measurement of the contingent consideration liability is provided below:

	31 March 2019 ₹ lakhs
Liability arising on business combination	6,858.00
Unrealised fair value changes recognised in the statement of profit and loss	-
<b>Closing balance as at 31 March 2019</b>	<b>6,858.00</b>

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

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 45</b>			
<b>Non-current financial assets</b>			
Loans:			
Loans to related party	-	3,214.83	-
Other non-current financial assets:			
Margin money deposit	-	5.79	-
Subsidy receivable	-	155.25	-
Security deposits	-	389.64	-
<b>Current financial assets</b>			
Trade receivables	-	2,020.35	-
Loans	-	85.59	-
Other current financial assets	-	1,496.72	-
<b>Current financial liabilities</b>			
Borrowings	-	748.24	-
Trade payables	-	9,559.38	-
Other current financial liabilities	-	1,974.36	-

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 45</b>			
<b>Non-current financial assets</b>			
Loans:			
Loans to related party	-	1,944.53	-
Loans to transporters	-	12.54	-
Other non-current financial assets:			
Margin money deposit	-	130.61	-
<b>Current financial assets</b>			
Trade receivables	-	1,450.95	-
Loans	-	77.34	-
Other current financial assets	-	605.02	-
<b>Non-current financial liabilities</b>			
Borrowings	-	1,072.09	-
<b>Current financial liabilities</b>			
Borrowings	-	2,688.88	-
Trade payables	-	7,157.56	-
Other current financial liabilities	-	2,386.57	-

## NOTE 47: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Company is not significantly exposed to other price risk whereas the exposure to currency risk and interest risk is given below.

### Interest rate risk

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

### Foreign currency risk

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



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Foreign exchange exposures outstanding at the year end

	Currency	31 March 2019	31 March 2018	1 April 2017
		lakhs	lakhs	lakhs
Short-term borrowings - Buyer's credit	JPY	-	1,224.00	1,530.70
Export receivables	USD	0.51	0.41	0.41

## Foreign exchange exposures outstanding at the year end in ₹

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Short-term borrowings - Buyer's credit	-	748.24	890.64
Export receivables	35.52	26.56	26.55
<b>Net exposure (₹)</b>	<b>(35.52)</b>	<b>721.68</b>	<b>864.09</b>

## Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Increase / decrease in %	Effect on profit or loss	
		31 March 2019	31 March 2018
		₹ lakhs	₹ lakhs
USD ₹	2%	0.71	0.53
	-2%	(0.71)	(0.53)
JPY ₹	2%	-	(14.96)
	-2%	-	14.96

## 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 deposits with banks.

## Trade receivables

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

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

	₹ lakhs	
	Upto 180 Days	More than 180 Days
<b>As on 31 March 2019</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	2,775.35	274.33
Loss allowance provision	-	274.33
<b>As on 31 March 2018</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	2,020.35	198.06
Loss allowance provision	-	198.06
<b>As on 1 April 2017</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	1,450.95	131.79
Loss allowance provision	-	131.79

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Reconciliation of loss allowance provision for trade receivables

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Balance as at beginning of the year	198.06	131.79
On receivables originated in the year	82.00	71.92
Amounts recovered during the year	(5.73)	(5.65)
Balance at end of the year	<b>274.33</b>	<b>198.06</b>

## Liquidity Risk

### (i) Liquidity risk management

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

### (ii) Maturities of financial liabilities

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

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 31 March 2019</b>				
<b>Non-Current liabilities:</b>				
(i) Other non-current financial liabilities	-	9,659.00	-	9,659.00
<b>Current liabilities:</b>				
(i) Borrowings	1,758.89	-	-	1,758.89
(ii) Trade payables	7,651.04	-	-	7,651.04
(iii) Other current financial liabilities	696.23	-	-	696.23
	<b>10,106.16</b>	<b>9,659.00</b>	<b>-</b>	<b>19,765.16</b>
<b>As at 31 March 2018</b>				
<b>Current liabilities:</b>				
(i) Borrowings	748.24	-	-	748.24
(ii) Trade payables	9,559.38	-	-	9,559.38
(iii) Other current financial liabilities	1,974.36	-	-	1,974.36
	<b>12,281.98</b>	<b>-</b>	<b>-</b>	<b>12,281.98</b>
<b>As at 1 April 2017</b>				
<b>Non-current liabilities:</b>				
(i) Borrowings	-	1,289.30	-	1,289.30
<b>Current liabilities:</b>				
(i) Borrowings	2,688.88	-	-	2,688.88
(ii) Trade payables	7,157.56	-	-	7,157.56
(iii) Other current financial liabilities	2,386.57	-	-	2,386.57
	<b>12,233.01</b>	<b>1,289.30</b>	<b>-</b>	<b>13,522.31</b>





# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Changes in liabilities arising from financing activities:

	31 March 2018	Net Cash (Outflow) / Inflow	Foreign exchange movement	Others	31 March 2019
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Long-term interest bearing borrowings	-	-	-	-	-
Short-term interest bearing borrowings	748.24	1,002.15	8.50	-	1,758.89
	<b>748.24</b>	<b>1,002.15</b>	<b>8.50</b>	-	<b>1,758.89</b>

	1 April 2017	Net Cash (Outflow) / Inflow	Foreign exchange movement	Others	31 March 2018
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Long-term interest bearing borrowings	2,686.57	(2,686.57)	-	-	-
Short-term interest bearing borrowings	2,688.88	(1,976.36)	35.72	-	748.24
	<b>5,375.45</b>	<b>(4,662.93)</b>	<b>35.72</b>	-	<b>748.24</b>

## (iii) Maturities of financial assets

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

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 31 March 2019</b>				
<b>Non-current assets:</b>				
(i) Loans	-	1,578.11	-	1,578.11
(ii) Other non-current financial assets	-	1,004.17	493.54	1,497.71
<b>Current assets:</b>				
(i) Trade receivables	2,775.35	-	-	2,775.35
(ii) Loans	3,555.22	-	-	3,555.22
(iii) Other current financial assets	233.60	-	-	233.60
	<b>6,564.17</b>	<b>2,582.28</b>	<b>493.54</b>	<b>9,639.99</b>
<b>Year ended 31 March 2018</b>				
<b>Non-current assets:</b>				
(i) Loans	-	4,494.54	-	4,494.54
(ii) Other non-current financial assets	-	270.01	499.41	769.42
<b>Current asset:</b>				
(i) Trade receivables	2,020.35	-	-	2,020.35
(ii) Loans	85.59	-	-	85.59
(iii) Other current financial assets	1,496.72	-	-	1,496.72
	<b>3,602.66</b>	<b>4,764.55</b>	<b>499.41</b>	<b>8,866.62</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 1 April 2017</b>				
<b>Non-current assets:</b>				
(i) Loans	-	3,160.37	-	3,160.37
(ii) Other non-current financial assets	-	215.79	448.08	663.87
<b>Current assets:</b>				
(i) Trade receivables	1,450.95	-	-	1,450.95
(ii) Loans	77.34	-	-	77.34
(iii) Other current financial assets	605.02	-	-	605.02
	<b>2,133.31</b>	<b>3,376.16</b>	<b>448.08</b>	<b>5,957.55</b>

## NOTE 48: CAPITAL MANAGEMENT

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

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Debt (A)	1,758.89	748.24	3,964.68
Equity (B)	57,411.95	53,050.86	24,406.74
Debt / Equity ratio (A / B)	0.03	0.01	0.16

## NOTE 49: STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

### Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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



# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17.

Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The Company is evaluating the requirements of the amendment and the effect on the standalone financial statements.

## **Amendments to Appendix C to Ind AS 12 Uncertainty over income tax treatment**

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

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

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

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

## **Amendments to Ind AS 109: Prepayment features with negative compensation**

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

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

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

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

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

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

## Annual improvement to Ind AS (2018):

These improvements include:

### Amendments to Ind AS 12: Income Taxes

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

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

### Amendments to Ind AS 23: Borrowing Costs

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

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

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

per **Abhishek Agarwal**  
Partner  
Membership no.: 112773

Place: Indore  
Date: May 21, 2019

For and on behalf of the Board of Directors of  
**Prataap Snacks Limited**  
(formerly known as Prataap Snacks Private Limited)

**Amit Kumat**  
Managing Director and Chief Executive Officer  
DIN - 02663687

**Sumit Sharma**  
Chief Financial Officer

Place: Indore  
Date: May 21, 2019

**Apoorva Kumat**  
Executive Director (operations)  
DIN - 02630764

**Om Prakash Pandey**  
Company Secretary



# Independent Auditor's Report

To the Members of Prataap Snacks Limited (formerly known as 'Prataap Snacks Private Limited')

## REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### OPINION

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

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

### BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities

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

### KEY AUDIT MATTERS

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

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

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition-Determination of transaction price (as described in note 2.3(C) and 27 of the consolidated Ind AS financial statements)</b>	
Revenue is recognized on satisfaction of performance obligation i.e. when goods are delivered to customers. The Group considers the terms of the contract and its customary business practices to determine the transaction price which includes variable consideration (discounts, rebates, incentives, performance bonuses and right to return etc). In certain cases, such variable consideration is not determined until claims with appropriate evidence is presented by the customer to the Group, which may be some time after the date of sale. Estimation of variable consideration is done based on terms of contract, incentive schemes and historical experience.	<ul style="list-style-type: none"> <li>• Our audit procedures included considering the Group's revenue recognition accounting policies specifically the process and methodology used for determination of transaction price including estimation of variable consideration</li> <li>• We have performed test of controls over revenue recognition with specific focus on determination of transaction price including estimation of variable consideration through inspection of evidence of performance of controls.</li> <li>• We performed the following test of details for a sample of transactions:</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition is considered as key audit matter due to significant judgement required in estimation of variable consideration and the magnitude of amount involved.</p>	<ul style="list-style-type: none"> <li>– Read the terms of contract including incentive schemes as approved by authorized personnel</li> <li>– Evaluated the assumptions used in estimation of variable consideration by comparing with the budgets, past trends and understand the reasons for deviation</li> <li>– Performed retrospective review to identify significant variances and assess whether those variances have been considered in estimation of variable consideration</li> <li>• We assessed the presentation and disclosures in the Ind AS financial statements as per Ind AS 115</li> </ul>
<p><b>Accounting for business combination (as described in note 2.3 and 43 of the consolidated Ind AS financial statements)</b></p>	
<p>On October 1, 2018, the Group completed the acquisition of Avadh Snacks Private Limited for a total consideration of ₹ 21,658 lakhs comprising of cash consideration of ₹ 14,800 lakhs and fair value of deferred contingent consideration amounting to ₹ 6,858 lakhs.</p>	<ul style="list-style-type: none"> <li>• Our audit procedures included considering the Group's accounting policy of business combination</li> <li>• We have performed test of controls over business combination accounting through inspection of evidence of performance of controls.</li> <li>• We performed the following test of details: <ul style="list-style-type: none"> <li>– Obtained an understanding of the share purchase agreement, shareholders agreements etc.</li> <li>– Obtained the purchase price allocation performed by external valuer</li> <li>– We assessed the competence and objectivity of external valuer</li> <li>– We assessed the financial projections, valuation methodology and key assumptions by comparing them with past trends and external data, where available.</li> <li>– We involved our internal tax specialists to assess the recognition of deferred tax assets and liabilities</li> </ul> </li> <li>• We assessed the presentation and disclosures in the consolidated financial statements per Ind AS 103</li> </ul>
<p>The Group has completed the provisional purchase price allocation as per Ind AS 103 Business Combination and has recognized trade name, distribution network and goodwill amounting to ₹ 5,950 lakhs, ₹ 13,590 lakhs and ₹ 4,611 lakhs respectively as described in Note 43 to the consolidated Ind AS financial statements.</p>	
<p>We considered the accounting for this acquisition to be a key audit matter as this is a significant transaction and it required significant estimation and judgement for the fair valuation of deferred contingent consideration, fair valuation of tangible assets, liabilities and contingencies and identification and fair valuation of intangible assets.</p>	

## OTHER INFORMATION

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

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

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

## RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance



of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, and a controlled trust, whose Ind AS financial statements include total assets of ₹ 12,037 lakhs as at March 31, 2019, and total revenues of ₹ 4,910 lakhs and net cash outflows of ₹ 831 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and controlled trust, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and controlled trust, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and controlled trust, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2019, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and controlled trust incorporated in India during the year ended March 31, 2019.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**  
Partner  
Place of Signature: Indore  
Date: May 21, 2019  
Membership Number: 112773  
UDIN: 19112773AAAAACN8163





# Annexure 1

**To the Independent Auditor's Report of even date on the Standalone Financial Statements of Prataap Snacks Limited (formerly known as 'Prataap Snacks Private Limited')**

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

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

## **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

## **AUDITOR'S RESPONSIBILITY**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

## **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

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

### **OPINION**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial

statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **OTHER MATTERS**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**

Partner

Place of Signature: Indore

Date: May 21, 2019

Membership Number: 112773

UDIN: 19112773AAAAACN8163



# Consolidated Balance Sheet

as at March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	31 March 2019	31 March 2018	1 April 2017
		₹ lakhs	₹ lakhs	₹ lakhs
<b>I ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a) Property, plant and equipments	3	28,731.07	26,468.20	19,705.68
(b) Capital work-in-progress	3	671.26	159.23	5,179.55
(c) Goodwill	4	4,611.00	-	-
(d) Other Intangible assets	4	19,264.13	354.46	765.42
(e) Intangible assets under development	4	1.14	83.23	1.15
(f) Financial assets				
(i) Loans	5	1,595.83	1,554.60	1,439.72
(ii) Other non-current financial assets	6	1,219.97	572.54	520.88
(g) Deferred tax assets (net)	21	-	581.14	803.17
(h) Tax assets (net)	7	181.98	-	124.66
(i) Other non-current assets	8	444.46	442.26	184.24
<b>TOTAL NON-CURRENT ASSETS</b>		<b>56,720.84</b>	<b>30,215.66</b>	<b>28,724.47</b>
<b>CURRENT ASSETS</b>				
(a) Inventories	9	11,948.43	8,968.72	7,886.80
(b) Financial assets				
(i) Trade receivables	10	3,078.27	2,043.30	1,450.95
(ii) Cash and cash equivalents	11	2,866.78	5,303.38	834.38
(iii) Bank balance (other than (ii) above)	12	5,321.49	16,134.04	287.03
(iv) Loans	13	82.98	87.59	78.10
(v) Other current financial assets	14	233.60	1,496.72	605.02
(c) Other current assets	15	2,310.26	2,008.00	1,719.99
<b>TOTAL CURRENT ASSETS</b>		<b>25,841.81</b>	<b>36,041.75</b>	<b>12,862.27</b>
<b>TOTAL ASSETS</b>		<b>82,562.65</b>	<b>66,257.41</b>	<b>41,586.74</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	16	1,172.65	1,172.65	190.55
(b) Other equity	17	54,963.06	50,781.41	23,578.88
<b>TOTAL EQUITY</b>		<b>56,135.71</b>	<b>51,954.06</b>	<b>23,769.43</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES:</b>				
(a) Financial liabilities				
(i) Borrowings	18	-	-	3,871.63
(ii) Other non-current financial liabilities	19	6,858.00	-	-
(b) Provisions	20	282.26	230.31	169.11
(c) Deferred tax liabilities (net)	21	6,236.12	-	-
(d) Tax liabilities (net)	26	-	2.24	-
(e) Other non-current liabilities	22	593.82	323.28	385.66
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>13,970.20</b>	<b>555.83</b>	<b>4,426.40</b>
<b>CURRENT LIABILITIES:</b>				
(a) Financial liabilities				
(i) Borrowings	18	1,786.59	748.24	2,688.88
(ii) Trade payables	23	-	-	-
Total outstanding dues of micro and small enterprises		-	-	-
Total outstanding dues of creditors other than micro and small enterprises		8,564.95	9,968.91	7,161.49
(iii) Other current financial liabilities	24	737.63	2,018.36	2,840.35
(b) Provisions	20	48.41	42.29	27.26
(c) Other current liabilities	25	1,319.16	969.72	672.93
<b>TOTAL CURRENT LIABILITIES</b>		<b>12,456.74</b>	<b>13,747.52</b>	<b>13,390.91</b>
<b>TOTAL LIABILITIES</b>		<b>26,426.94</b>	<b>14,303.35</b>	<b>17,817.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>82,562.65</b>	<b>66,257.41</b>	<b>41,586.74</b>
Summary of significant accounting policies	2.3			

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

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

per **Abhishek Agarwal**  
Partner  
Membership no.: 112773

Place: Indore  
Date: May 21, 2019

For and on behalf of the Board of Directors of  
**Prataap Snacks Limited**  
(formerly known as Prataap Snacks Private Limited)

**Amit Kumat**  
Managing Director and Chief Executive Officer  
DIN - 02663687

**Sumit Sharma**  
Chief Financial Officer

Place: Indore  
Date: May 21, 2019

**Apoorva Kumat**  
Executive Director (Operations)  
DIN - 02630764

**Om Prakash Pandey**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended	Year ended
		31 March 2019	31 March 2018
		₹ lakhs	₹ lakhs
I Revenue from operations	27	1,17,060.96	1,01,840.27
II Other income	28	1,093.24	804.97
<b>III TOTAL INCOME (I + II)</b>		<b>1,18,154.20</b>	<b>1,02,645.24</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	29	80,919.25	66,673.29
(b) Purchases of stock-in-trade		1,108.01	2,146.36
(c) Changes in inventories of finished goods and stock-in-trade	30	15.03	(198.60)
(d) Excise duty on sale of goods		-	104.74
(e) Employee benefits expense	31	4,153.60	3,651.99
(f) Finance costs	32	85.77	290.39
(g) Depreciation and amortisation expense	33	3,763.62	3,041.77
(h) Other expenses	34	22,542.95	20,769.24
<b>TOTAL EXPENSES</b>		<b>1,12,588.23</b>	<b>96,479.18</b>
<b>V Profit before tax (III - IV)</b>		<b>5,565.97</b>	<b>6,166.06</b>
<b>VI Tax expenses</b>			
(a) Current tax	21	1,414.18	1,529.89
(b) Deferred tax	21	(312.34)	218.44
<b>Total tax expenses</b>		<b>1,101.84</b>	<b>1,748.33</b>
<b>VII Profit for the year (V - VI)</b>		<b>4,464.13</b>	<b>4,417.73</b>
<b>VIII Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement gain / (loss) on defined benefit plan	36	19.10	10.37
(b) Income tax relating to above	21	(6.67)	(3.59)
<b>Total other comprehensive income for the year (net of tax)</b>		<b>12.43</b>	<b>6.78</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>4,476.56</b>	<b>4,424.51</b>
<b>X Earnings per equity share:</b>			
[Equity shares of face value of ₹ 5 (31 March 2018: ₹ 5) each]			
(a) Basic	35	<b>19.03</b>	<b>20.70</b>
(b) Diluted	35	<b>19.03</b>	<b>19.92</b>
Summary of significant accounting policies	2.3		

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

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm registration number: 324982E/E300003  
Chartered Accountants

per **Abhishek Agarwal**  
Partner  
Membership no.: 112773

Place: Indore  
Date: May 21, 2019

For and on behalf of the Board of Directors of  
**Prataap Snacks Limited**  
(formerly known as Prataap Snacks Private Limited)

**Amit Kumat**  
Managing Director and Chief Executive Officer  
DIN - 02663687

**Sumit Sharma**  
Chief Financial Officer

Place: Indore  
Date: May 21, 2019

**Apoorva Kumat**  
Executive Director (Operations)  
DIN - 02630764

**Om Prakash Pandey**  
Company Secretary



# Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 5 each issued, subscribed and fully paid	No. in lakhs	₹ lakhs
<b>At 1 April 2017</b>	<b>190.55</b>	<b>190.55</b>
Changes in equity share capital during 2017-18:		
Conversion of CCPS to equity	69.30	69.30
<b>Equity share capital post conversion of CCPS</b>	<b>259.85</b>	<b>259.85</b>
Consolidation of equity shares during the year*	51.97	259.85
Issued during the year - Bonus issue	155.91	779.54
Issued during the year - Fresh issue**	26.65	133.26
<b>At 31 March 2018</b>	<b>234.53</b>	<b>1,172.65</b>
<b>At 31 March 2019</b>	<b>234.53</b>	<b>1,172.65</b>

\* aggregate number of equity shares held post consolidation of shares of face value of ₹ 1 each into equity shares of face value of ₹ 5 each.

\*\*fresh issue of shares - The Holding Company has completed the IPO of fresh issue of 26.65 lakhs equity shares (including pre IPO of 5.33 lakhs equity shares) of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The equity shares of the Holding Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. 5 October 2017.

## B. OTHER EQUITY:

For the year ended 31 March 2019

	Capital reserve	Securities premium	Retained earnings	Equity component of compound financial instruments	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 31 March 2018</b>	-	<b>38,294.93</b>	<b>12,486.48</b>	-	<b>50,781.41</b>
Net profit for the year	-	-	4,464.13	-	4,464.13
Other comprehensive income	-	-	12.43	-	12.43
<b>Total comprehensive income</b>	-	-	<b>4,476.56</b>	-	<b>4,476.56</b>
Utilisation towards expenses incurred in Initial Public Offer ('IPO') (refer note 41)	-	(12.17)	-	-	(12.17)
<b>Transactions with owners in their capacity as owners:</b>	-	-	-	-	-
Dividends paid on equity shares (including dividend distribution tax of ₹ 48.21 lakhs)	-	-	(282.74)	-	(282.74)
<b>As at 31 March 2019</b>	-	<b>38,282.76</b>	<b>16,680.30</b>	-	<b>54,963.06</b>

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2019 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

For the year ended 31 March 2018

	Capital reserve	Securities premium	Retained earnings	Equity component of compound financial instruments	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 1 April 2017</b>	<b>769.93</b>	<b>14,631.48</b>	<b>8,061.97</b>	<b>115.50</b>	<b>23,578.88</b>
Net profit for the year	-	-	4,417.73	-	4,417.73
Other comprehensive income	-	-	6.78	-	6.78
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4,424.51</b>	<b>-</b>	<b>4,424.51</b>
Amount utilised towards issue of fully paid bonus shares	(769.93)	(9.61)	-	-	(779.54)
Premium on conversion of CCPS into equity shares	-	46.20	-	-	46.20
Premium on issue of equity shares	-	24,852.52	-	-	24,852.52
Utilisation towards expenses incurred in Initial Public Offer ('IPO') (refer note 41)	-	(1,225.66)	-	-	(1,225.66)
Conversion of CCPS to equity	-	-	-	(115.50)	(115.50)
<b>As at 31 March 2018</b>	<b>-</b>	<b>38,294.93</b>	<b>12,486.48</b>	<b>-</b>	<b>50,781.41</b>

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003

Chartered Accountants

per **Abhishek Agarwal**

Partner

Membership no.: 112773

Place: Indore

Date: May 21, 2019

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

(formerly known as Prataap Snacks Private Limited)

**Amit Kumat**

Managing Director and Chief Executive Officer

DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

Place: Indore

Date: May 21, 2019

**Apoorva Kumat**

Executive Director (Operations)

DIN - 02630764

**Om Prakash Pandey**

Company Secretary



# Consolidated Cash Flows Statement

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>5,565.97</b>	<b>6,166.06</b>
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expenses	3,763.62	3,041.77
Loss on sale of property, plant and equipment	3.64	27.86
Property, plant and equipment written off	8.52	27.65
Provision for slow moving inventory	108.30	-
Provision for doubtful receivables and advances	44.34	297.28
Unrealised exchange gain	-	35.67
Amortisation of deferred government grant	-	-
Interest expenses	67.19	222.24
Interest income	(1,093.18)	(804.77)
<b>Operating profit before working capital changes</b>	<b>8,468.40</b>	<b>9,013.76</b>
<b>Working capital adjustments:</b>		
Decrease / (increase) in inventories	(2,674.12)	(1,081.92)
Decrease / (increase) in trade receivables	(887.45)	(658.62)
Decrease / (increase) in loans	97.86	10.68
Decrease / (increase) in other financial assets	88.08	(946.75)
Decrease / (increase) in other assets	(267.36)	(458.12)
Increase / (decrease) in trade payables	(1,838.40)	2,807.42
Increase / (decrease) in other financial liabilities	(980.49)	815.09
Increase / (decrease) in provisions	77.17	86.60
Increase / (decrease) in other liabilities	544.19	234.41
	<b>2,627.88</b>	<b>9,822.55</b>
Income tax paid (including TDS) (net)	(1,544.59)	(1,448.56)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,083.29</b>	<b>8,373.99</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(3,833.83)	(4,885.67)
Purchase of intangibles including assets under development	(79.78)	(107.12)
Amount paid against business combination (refer Note 43)	(13,800.00)	-
Proceeds from sale of property, plant and equipment	27.79	11.97
Net movement in fixed deposits with banks	10,748.74	(15,615.12)
Interest received	1,004.00	419.66
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(5,933.07)</b>	<b>(20,176.29)</b>

# Consolidated Cash Flows Statement

for the year ended March 31, 2019 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	-	133.26
Proceeds from premium on issuance of equity share capital	-	23,626.86
Proceeds from short-term borrowings	1,750.00	-
Repayment of long-term borrowings	-	(5,357.40)
Repayment of short-term borrowings	(1,200.15)	(1,976.36)
Proceeds from receipt of government grant	560.44	-
Interest paid	(24.36)	(155.06)
Dividend (including dividend distribution tax)	(282.74)	#
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>803.19</b>	<b>16,271.30</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(4,046.59)</b>	<b>4,469.00</b>
Cash and cash equivalents at the beginning of the year	5,303.38	834.38
Acquisition through business combination (refer Note 43)	1,610.00	-
<b>Cash and cash equivalents at the end (refer Note 11)</b>	<b>2,866.79</b>	<b>5,303.38</b>
# Amount in ₹ denotes		
Dividend (including dividend distribution tax)	-	162

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003

Chartered Accountants

per **Abhishek Agarwal**

Partner

Membership no.: 112773

Place: Indore

Date: May 21, 2019

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

(formerly known as Prataap Snacks Private Limited)

**Amit Kumat**

Managing Director and Chief Executive Officer

DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

Place: Indore

Date: May 21, 2019

**Apoorva Kumat**

Executive Director (Operations)

DIN - 02630764

**Om Prakash Pandey**

Company Secretary





# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 1: CORPORATE INFORMATION

Prataap Snacks Limited ('PSL' or 'the Holding Company') is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Holding Company is located at Khasra No. 378/2, Nemawar Road, Near Makrand House, Indore, Madhya Pradesh, 452020, India having CIN No. L15311MP2009PLC021746. The Holding Company is principally engaged in the business of snacks food. The Subsidiary Companies are also engaged in the manufacturing of snacks foods.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 21, 2019.

## NOTE 2.1: BASIS OF PREPARATION

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

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

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

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

## NOTE 2.2: BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

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

## Consolidation procedures:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

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

## NOTE 2.3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (A) Current vs Non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

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

### (B) Significant accounting judgements, estimates and assumptions

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

#### Estimates and assumptions

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

#### (i) Useful lives of property, plant and equipments and intangible assets (including investment property)

The Group reviews the useful life of property, plant



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

and equipments at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2.3 (E), (F) and (G) for management estimate of useful lives.

## (ii) Taxes

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

## (iii) Discounts and rebates on sales

The Group provides discount and rebates on sales to certain customers based on sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. The estimation of variable consideration is done based on terms of contract, incentive scheme and historical experience. The Group determines that the estimates of discounts are not constrained based on its historical experience, business forecast and the current economic conditions. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected discount.

## (iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model ('DCF'). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 46 and 47 for further disclosures.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition

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

## (C) Revenue from operations

### (i) Revenue from contract with customer

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

### Sale of goods

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

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

### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale

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of goods provide customers with a right to return defective / damaged products and discount and rebates on sales. The right to return and discount and rebates on sales give rise to variable consideration.

The Group provides discount and rebates on sales to certain customers based on aggregate sales covered by the schemes. Revenue from these sales is recognised based on the applicable price to a given customer, net of the estimated pricing allowances, discounts, rebates and other incentives to customers. The estimation of variable consideration is done based on terms of contract, incentive scheme and historical experience and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

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

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

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

## Contract balances

### Contract assets

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

### Trade receivables

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

## Contract liabilities

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

## (ii) Interest income

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

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

## (D) Government grants

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

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

## (E) Property, plant and equipments

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and

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

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

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

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

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

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

Property, plant and equipments	Useful lives
Factory building	30 years
Plant and equipments*	10 years or 21 years
Electrical installations	10 years
Furniture and fixtures	10 years
Computers*	3 years to 6 years
Office equipments*	3 years to 5 years
Vehicles	8 years
Leasehold improvement*	Amortised over the period of lease term ranging from 9 to 10 years

\* These assets have life different from those mentioned in Schedule II of the Act

## (F) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net

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disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight line basis over the estimated useful economic life.

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

Intangible assets	Useful lives
Brand ambassador rights*	2.33 years
Computer software	5 years
Trade Name and Distribution Network*	20 years

\* These assets has the life different from those mentioned in schedule II of Companies Act.

## (G) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and

applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill is not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.



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## (H) Inventories

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

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

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

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

## (I) Leases

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

### The Group as lessee

#### Operating lease

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

## (J) Segment reporting

Based on "management approach" as defined in Ind AS 108 - Operating segments, the management evaluates the

Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Group has only one business segment 'snacks food'.

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

## (K) Provisions

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

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

## (L) Retirement and other employee benefits

### Short term employee benefits

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

### Defined contribution plan

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

### Defined benefit plan

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

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The Group recognises these re-measurements in other comprehensive income (OCI).

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

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

## Other long term employee benefit

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

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

## (M) Taxation

### Current taxes

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

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

### Deferred taxes

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

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

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

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

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

When the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred



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tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

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

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

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

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

## Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the MAT credit entitlement" asset at each reporting date

and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## Sales / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## (N) Foreign currencies

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

## Transactions and balances

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

## (O) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that

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the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Group 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.

## (P) Financial instruments

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

## I) Financial assets

### Initial recognition and measurement

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

### Subsequent measurement

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

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

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

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

- Business model test: the objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### De-recognition

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



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## Impairment of financial assets

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

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

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

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

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

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

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

## II) Financial liabilities

### Initial recognition and measurement

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

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

## Subsequent measurement

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

## Loans and borrowings

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

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

## De-recognition

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

## III) Offsetting of financial instruments

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

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(All amounts in INR lakhs, unless otherwise stated)

## (Q) Cash and cash equivalents

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

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

## (R) Borrowing cost

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

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

## (S) Earnings per share

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

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

## (T) Contingent liability and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required

to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the Consolidated financial statements.

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

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

## (U) Business combinations and goodwill

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

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If



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(All amounts in INR lakhs, unless otherwise stated)

the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

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

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

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

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

based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

## NOTE 2.4: CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

### Ind AS 115 Revenue from contracts with customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an

# Notes to the Consolidated Financial Statements

## for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

optional practical expedient. The Group did not apply any of the other available optional practical expedients.

The effect of adoption of Ind AS 115 is as follows:

### Impact on statement of profit and loss [increase / (decreased) in profit]

	31 March 2018
	₹ lakhs
Revenue from contract with customers (Refer note a below)	(1,932.42)
Other expenses (Refer note a below)	1,932.42
Profit for the year	-
Earnings per share	-

There is no impact of adoption of Ind As 115 on the balance sheet of the Group as at 31 March 2018 and 1 April 2017.

The application of Ind AS 115 did not have any impact on retained earnings as at 1 April 2017 and the net profit of the current and previous periods. The cash flows from operating, investing and financing activities were not affected.

### The nature of these adjustments are described below:

**Note a** - The Group reimburses certain sales promotion expenses to its customers, earlier these expenses were classified as other expenses and now have been netted off from sales as these are forming part of variable consideration.



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for the year ended March 31, 2019

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## NOTE 4: INTANGIBLE ASSETS

	Goodwill		Other Intangible assets				Total
		Computer software	Brand ambassador rights	Trade Name	Distributor Network	Intangible assets under development	
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>I Gross carrying amount</b>							
<b>At 1 April 2017</b>	-	97.99	963.72	-	-	1.15	1,062.86
Additions	-	25.04	-	-	-	107.12	132.16
Transfer/capitalised	-	-	-	-	-	25.04	25.04
<b>At 31 March 2018</b>	-	123.03	963.72	-	-	83.23	1,169.98
Additions	-	161.87	-	-	-	79.78	241.65
Acquisition through business combination (refer note 43)	4,611.00	-	-	5,950.00	13,590.00	-	19,540.00
Disposals	-	-	235.00	-	-	-	235.00
Transfer/capitalised	-	-	-	-	-	161.87	161.87
<b>At 31 March 2019</b>	<b>4,611.00</b>	<b>284.90</b>	<b>728.72</b>	<b>5,950.00</b>	<b>13,590.00</b>	<b>1.14</b>	<b>20,554.76</b>
<b>II Accumulated amortisation and impairment losses</b>							
<b>At 1 April 2017</b>	-	24.82	271.47	-	-	-	296.29
Amortisation	-	23.14	412.86	-	-	-	436.00
<b>At 31 March 2018</b>	-	47.96	684.33	-	-	-	732.29
Amortisation	-	24.31	44.39	148.75	339.75	-	557.20
<b>At 31 March 2019</b>	-	72.27	728.72	148.75	339.75	-	1,289.49
<b>III Net book value</b>							
<b>At 31 March 2019</b>	4,611.00	212.63	-	5,801.25	13,250.25	1.14	19,265.27
At 31 March 2018	-	75.07	279.39	-	-	83.23	437.69
At 1 April 2017	-	73.17	692.25	-	-	1.15	766.57
<b>IV Net book value</b>							
				31 March 2019	31 March 2018	1 April 2017	
				₹ lakhs	₹ lakhs	₹ lakhs	
Goodwill				4,611.00	-	-	
Other Intangible assets				19,264.13	354.46	765.42	
Intangible assets under development				1.14	83.23	1.15	

## NOTE 5: FINANCIAL ASSETS - NON-CURRENT LOANS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Measured at amortised cost</b>			
Loans to transporters	-	-	12.54
Loans - Others	1,595.83	1,554.60	1,427.18
	<b>1,595.83</b>	<b>1,554.60</b>	<b>1,439.72</b>





# Notes to the Consolidated Financial Statements

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(All amounts in INR lakhs, unless otherwise stated)

## NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Measured at amortised cost</b>			
Non-current bank balances being deposits with remaining maturity of more than twelve months	0.10	0.10	0.12
Margin money deposits	2.56	5.79	130.61
Subsidy receivable	764.15	155.25	-
Security deposits	453.16	411.40	390.15
	<b>1,219.97</b>	<b>572.54</b>	<b>520.88</b>

### Notes:

1. Margin money deposits pertain to deposits given to various government/statutory authorities as security.

## NOTE 7: NON-CURRENT TAX ASSETS (NET)

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Advance income-tax [Net of provision for taxation: ₹ 1,440.11 lakhs (31 March 2018: Nil), (1 April 2017: ₹ 1,821.93 lakhs)]	181.98	-	124.66
	<b>181.98</b>	<b>-</b>	<b>124.66</b>

## NOTE 8: OTHER NON-CURRENT ASSETS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Capital advances			
Considered good	348.49	343.52	65.26
Considered doubtful	385.15	385.15	344.50
Less: Provision for doubtful loans	(385.15)	(385.15)	(344.50)
Deferred lease	79.30	98.74	118.98
Advances to vendors:			
Unsecured considered good	16.67	-	-
	<b>444.46</b>	<b>442.26</b>	<b>184.24</b>

## NOTE 9: INVENTORIES

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

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Raw materials [including stock-in-transit: Nil (31 March 2018: Nil), (1 April 2017: ₹ 78.29 lakhs)]	5,920.84	4,008.75	3,750.09
Packing materials [including stock-in-transit: Nil (31 March 2018: Nil), (1 April 2017: ₹ 3.84 lakhs)]	3,525.51	2,458.98	1,984.47
Finished goods [including stock-in-transit: ₹ 808.48 lakhs (31 March 2018: ₹ 706.21 lakhs), (1 April 2017: ₹ 643.70 lakhs)]	1,788.15	1,659.33	1,535.84
Traded goods [including stock-in-transit: ₹ 15.62 lakhs (31 March 2018: ₹ 3.00 lakhs), (1 April 2017: ₹ 9.46 lakhs)]	11.52	118.65	43.54
Stores, spares and other consumables [including stock-in-transit: Nil (31 March 2018: Nil), (1 April 2017: ₹ 1.14 lakhs)]	702.41	723.01	572.86
	<b>11,948.43</b>	<b>8,968.72</b>	<b>7,886.80</b>

### Notes:

- The Group follows a suitable provisioning norms for writing down the value of inventories towards slow moving and non-moving. Provision for the year - ₹ 108.30 lakhs (31 March 2018: Nil).
- For carrying amount of inventories pledged as security (refer Note 18).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 10: TRADE RECEIVABLES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Receivables considered good - Secured	298.12	331.49	244.25
Receivables considered good - Unsecured	2,780.15	1,711.81	1,206.70
Receivables which have significant increase in credit risk	-	-	-
Receivables - Credit impaired	274.33	198.06	131.79
Less: Allowance for credit losses (refer Note 46)	(274.33)	(198.06)	(131.79)
<b>Total</b>	<b>3,078.27</b>	<b>2,043.30</b>	<b>1,450.95</b>
Of the above, trade receivable from			
- Related parties	-	-	-
- Others	3,078.27	2,043.30	1,450.95
	<b>3,078.27</b>	<b>2,043.30</b>	<b>1,450.95</b>

### Notes:

No trade or other receivable are due from Directors or other officers of the Group either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

## NOTE 11: CASH AND CASH EQUIVALENTS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Balances with banks:			
In current accounts	2,406.47	3,508.77	623.69
Deposits with original maturity of less than three months	454.89	1,790.28	203.16
Cash on hand	5.42	4.33	7.53
	<b>2,866.78</b>	<b>5,303.38</b>	<b>834.38</b>

## NOTE 12: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Deposits with remaining maturity for less than twelve months but more than three months	4,955.59	15,811.07	111.19
Margin money deposit	365.83	322.97	175.84
Earmarked Balances with bank - unclaimed dividend	0.07	-	-
	<b>5,321.49</b>	<b>16,134.04</b>	<b>287.03</b>

Margin money deposit pertains to deposits given to various government / statutory authorities as security.

## NOTE 13: FINANCIAL ASSETS - CURRENT LOANS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Loan to transporters			
Unsecured considered good	2.33	12.43	17.87
Unsecured considered doubtful	4.79	4.79	4.79
Less: Allowances for credit losses	(4.79)	(4.79)	(4.79)
Loan to employees	80.65	75.16	60.23
	<b>82.98</b>	<b>87.59</b>	<b>78.10</b>



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## NOTE 14: OTHER CURRENT FINANCIAL ASSETS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Subsidy receivable	-	1,233.03	548.77
Security deposits	233.60	263.69	56.25
	<b>233.60</b>	<b>1,496.72</b>	<b>605.02</b>

## NOTE 15: OTHER CURRENT ASSETS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Advances to vendors:			
Unsecured considered good	1,388.85	1,044.91	594.12
Unsecured considered doubtful	195.75	218.52	28.17
Less: Provision for doubtful advances	(195.75)	(218.52)	(28.17)
Prepaid expenses	54.88	40.22	32.99
Balances with statutory / government authorities	846.29	902.63	632.02
Deferred lease	20.24	20.24	21.03
Share issue expenses (refer Note 41)	-	-	439.83
	<b>2,310.26</b>	<b>2,008.00</b>	<b>1,719.99</b>

## NOTE 16: SHARE CAPITAL

### (a) Authorised share capital

	Equity shares		0.001% CCPS	
	No. in lakhs	₹ lakhs	No. in lakhs	₹ lakhs
At 1 April 2017	500.00	500.00	1.16	115.60
Change in authorised share capital during the year (300 lakhs equity shares of ₹ 5 each)	300.00	1,500.00	(1.16)	(115.60)
At 31 March 2018	300.00	1,500.00	-	-
At 31 March 2019	300.00	1,500.00	-	-

### (b) Issued, subscribed and fully paid-up equity share capital

	No. in lakhs	₹ lakhs
At 1 April 2017 (Equity shares of ₹ 1 each issued)	190.55	190.55
Changes in equity share capital during 2017-18:		
Conversion of CCPS to equity	69.30	69.30
Equity share capital post conversion of CCPS	259.85	259.85
Consolidation of equity shares during the year*	51.97	259.85
Issued during the year - Bonus issue	155.91	779.54
Issued during the year - Fresh issue**	26.65	133.26
At 31 March 2018 (Equity shares of ₹ 5 each issued)	234.53	1,172.65
At 31 March 2019 (Equity shares of ₹ 5 each issued)	234.53	1,172.65

\* aggregate number of equity shares held post consolidation of shares of face value of ₹ 1 each into equity shares of face value of ₹ 5 each.

\*\*fresh issue of shares - The Holding Company has completed the IPO of fresh issue of 26.65 lakhs equity shares (including pre IPO of 5.33 lakhs equity shares) of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The equity shares of the Holding Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. 5 October 2017.

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(All amounts in INR lakhs, unless otherwise stated)

## Utilisation of IPO Proceeds (including pre IPO) are as follows:

	Planned utilisation	Utilised upto 31 March 2019	Unutilised as at 31 March 2019
	₹ lakhs	₹ lakhs	₹ lakhs
Repayment/pre-payment of borrowings	5,098.20	5,098.20	-
Funding capital expenditure requirements	2,747.80	954.50	1,793.30
Investment in subsidiary for repayment/pre-payment of borrowing	2,937.00	2,937.00	-
Marketing and brand building activities	4,000.00	1,868.71	2,131.29
General corporate purposes	5,012.90	5,012.90	-
Acquisition	3,952.00	3,952.00	-
	<b>23,747.90</b>	<b>19,823.31</b>	<b>3,924.59</b>

Balance proceeds of ₹ 3,924.59 lakhs have been deposited with scheduled commercial banks as at 31 March 2019.

### (c) Terms / rights attached to equity shares

The Holding Company has only one class of equity shares having par value of ₹ 5 [(31 March 2018: ₹ 5),(1 April 2017: ₹ 1)] per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Each of Series A CCPS, Series A1 CCPS and Series A2 CCPS was converted into 60 (sixty) equity shares of ₹ 1 each in 2017-18.

### (d) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
<b>Equity shares</b>						
SCI Growth Investment II	83.93	35.79%	83.93	35.79%	63.45	33.30%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	23.54	10.04%	31.36	16.46%
SBI Mutual Fund	11.60	4.95%	12.91	5.50%	-	-
Mr. Rajesh Mehta	6.81	2.90%	6.81	2.90%	13.04	6.84%
Mr. Naveen Mehta	9.04	3.85%	9.04	3.85%	13.04	6.84%
<b>CCPS</b>						
SCI Growth Investment II	-	-	-	-	0.97	83.62%
Sequoia Capital India Growth Investments Holdings I	-	-	-	-	0.14	12.07%

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



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## (e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	No. in lakhs	No. in lakhs	No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	-	155.91	158.79

**As at 31 March 2018** - Allotment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 3 June 2017.

**As at 1 April 2017** - Allotment of bonus shares in the ratio of 5 equity shares for every equity share of ₹ 1 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on 24 September 2016.

## Dividend distribution made and proposed

	31 March 2019	31 March 2018
	₹	₹
<b>Cash dividend on preference shares paid during the year</b>		
Dividend for the year ended on 31 March 2019: Nil per share (31 March 2018: ₹ 0.001 per share)	-	134.00
Dividend distribution tax on above	-	28.00

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Cash dividend on equity shares paid during the year</b>		
Dividend for the year ended on 31 March 2019: ₹ 1 per share (31 March 2018: Nil)	234.53	-
Dividend distribution tax on above	48.21	-

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Proposed dividend on equity shares*</b>		
Dividend for the year ended on 31 March 2019: ₹ 1 per share (31 March 2018: ₹ 1 per share)	234.53	234.53
Dividend distribution tax on above	48.21	48.21

\*Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31 March 2019.

## NOTE 17: OTHER EQUITY

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Capital reserve	-	-	769.93
Securities premium	38,282.76	38,294.93	14,631.48
Retained earnings	16,680.30	12,486.48	8,061.97
Equity component of compound financial instrument	-	-	115.50
	<b>54,963.06</b>	<b>50,781.41</b>	<b>23,578.88</b>

# Notes to the Consolidated Financial Statements

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(All amounts in INR lakhs, unless otherwise stated)

## Capital reserve

	₹ lakhs
<b>At 1 April 2017</b>	<b>769.93</b>
Less: Amount utilised towards issue of fully paid bonus shares	(769.93)
<b>At 31 March 2018</b>	<b>-</b>
<b>At 31 March 2019</b>	<b>-</b>

Capital reserves represents the excess of aggregate value of net assets as at 30 September 2011 over purchase consideration paid by the Holding Company while taking over the business of manufacturing and selling of snacks of Prakash Snacks Private Limited, a related party, on a going concern/slump sale basis in financial year 2011-12. The capital reserve is used for issuing bonus shares.

## Securities premium

	₹ lakhs
<b>At 1 April 2017</b>	<b>14,631.48</b>
Add: Premium on conversion of CCPS into equity shares	46.20
Add: Premium on issue of equity shares	24,852.52
Less: Amount utilised towards issue of fully paid bonus shares	(9.61)
Less: Utilisation towards expenses incurred in IPO (refer Note 41)	(1,225.66)
<b>At 31 March 2018</b>	<b>38,294.93</b>
Less: Utilisation towards expenses incurred in IPO (refer Note 41)	(12.17)
<b>At 31 March 2019</b>	<b>38,282.76</b>

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

## Retained earnings

	₹ lakhs
<b>At 1 April 2017</b>	<b>8,061.97</b>
Add: Profit during the year	4,417.73
Add: Other comprehensive income	6.78
<b>At 31 March 2018</b>	<b>12,486.48</b>
Add: Profit during the year	4,464.13
Add: Other comprehensive income	12.43
Less: Amount utilised towards payment of dividend (including dividend distribution tax)	(282.74)
<b>At 31 March 2019</b>	<b>16,680.30</b>

## Equity component of compound financial instrument

	₹ lakhs
<b>At 1 April 2017</b>	<b>115.50</b>
Less: Conversion of CCPS to equity	(115.50)
<b>At 31 March 2018</b>	<b>-</b>
<b>At 31 March 2019</b>	<b>-</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 18: BORROWINGS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Non-current</b>			
<b>Measured at amortised cost</b>			
<b>Secured</b>			
<b>From banks</b>			
Indian rupee loan from banks (refer Note 1, 2 and 4 below)	-	-	4,607.40
<b>Unsecured loans</b>			
Indian rupee loan from banks (refer Note 3 and Note 4 below)	-	-	750.00
	-	-	5,357.40
Less: Current maturities of long-term borrowing (refer Note 23)	-	-	(1,485.77)
	-	-	<b>3,871.63</b>
<b>Current</b>			
<b>Secured</b>			
Cash credit from bank (refer Note 5 below)	-	-	662.68
Foreign currency buyers credit (refer Note 6 below)	-	748.24	890.64
Short term loan from bank (refer Note 7 below)	-	-	829.64
Bank overdraft (refer Note 8 below)	-	-	55.47
<b>Unsecured</b>			
Short term loan from bank (refer Note 4 and 9 below)	1,786.59	-	250.45
	<b>1,786.59</b>	<b>748.24</b>	<b>2,688.88</b>
	<b>1,786.59</b>	<b>748.24</b>	<b>6,560.51</b>

### Notes:

- The following loans from banks were secured by an exclusive first charge on the entire property, plant and equipments (present as well as future) of the Holding Company and equitable mortgage of four land properties and building thereon. The loans were also secured by a second charge on the entire current assets (present as well as future) of the Holding Company and personally guaranteed by Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company. The loans have been prepaid during the financial year 2017-18.

Nature of Facility	Amount Disbursed	Amount Outstanding		
		31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Term Loan - I	493.39	-	-	112.78
Term Loan - II	479.18	-	-	300.85
Term Loan - III	432.00	-	-	280.33
Term Loan - IV	200.00	-	-	160.00
Term Loan - V	300.00	-	-	248.63
Term Loan - IV	923.68	-	-	833.98
	<b>2,828.25</b>	-	-	<b>1,936.57</b>

- The India rupee term loan from bank - 31 March 2019: Nil (31 March 2018: Nil, 1 April 2017: ₹ 2,670.83 lakhs) was taken during the financial year 2016-17. The loan is secured by an exclusive first charge on the entire property, plant and equipment and hypothecation of inventory and trade receivables of the Subsidiary Company. The said loan is also personally guaranteed by Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company and by a corporate guarantee given by the Holding Company. The said loan has been repaid during the year.
- Indian rupee unsecured loan secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company - 31 March 2019: Nil [(31 March 2018: Nil), (1 April 2017 : ₹ 750.00 lakhs)].

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

4. The aforementioned loans carry a rate of interest ranging between 8.40% and 10.35%. The interest is to be serviced as and when charged.
5. Cash credit from a bank is secured by an exclusive first charge on entire stock of raw material except for potato stock in warehouse / cold storage, finished goods and book debts of all locations. The cash credit is re-payable on demand and carries an interest rate ranging between 9.65% and 9.75%. The said borrowings are secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company.
6. Foreign currency buyers credit is secured against first pari passu charge over entire property, plant and equipments of the Holding Company and second pari passu charge over entire current assets of the Holding Company. Further the said loan is secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company.
7. Short term loan from banks were secured against warehouse / cold storage receipts.
8. Bank overdraft which is re-payable on demand is secured against post dated cheques issued from Cash Credit account and personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company.
9. Unsecured short term loan from a bank with a specific condition of one undated cheque and personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company.

## NOTE 19: OTHER NON-CURRENT FINANCIAL LIABILITIES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Deferred contingent consideration (refer Note 43)	6,858.00	-	-
	<b>6,858.00</b>	-	-

## NOTE 20: PROVISIONS

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Non-current provisions</b>			
<b>Provision for employee benefits:</b>			
Gratuity (refer Note 36)	282.26	230.31	169.11
	<b>282.26</b>	<b>230.31</b>	<b>169.11</b>
<b>Current provisions</b>			
<b>Provision for employee benefits:</b>			
Gratuity (refer Note 36)	26.60	21.22	15.15
Leave encashment	21.81	21.07	12.11
	<b>48.41</b>	<b>42.29</b>	<b>27.26</b>

## NOTE 21: DEFERRED TAX ASSETS / LIABILITIES

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>(a) Tax expense recognised in the statement of profit and loss</b>		
Current income tax charge	1,414.18	1,529.89
Deferred tax	(312.34)	218.44
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,101.84</b>	<b>1,748.33</b>
<b>(b) OCI Section - Income tax related to items recognised in OCI during the year:</b>		
Net gain/(loss) on remeasurements of defined benefit plans	6.67	3.59
<b>Income tax expense charged to OCI</b>	<b>6.67</b>	<b>3.59</b>





# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>(c) Reconciliation of income tax expense and the accounting profit multiplied by Group's tax rate:</b>		
Profit/(loss) before tax	5,565.97	6,166.06
Income tax expense calculated at 34.944% (31 March 2018: 34.608%)	1,944.97	2,133.95
<b>Effect of:</b>		
Effect of income that is exempt from taxation	(841.46)	(471.68)
Effect of expenses that is non-deductible in determining taxable profit	68.06	25.99
Effect of change in tax rate	-	5.62
Effect of lower tax rate in subsidiary	(47.52)	-
Effect of tax on other items	(22.21)	54.45
Income tax expense recognised in statement of profit and loss	<b>1,101.84</b>	<b>1,748.33</b>

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

Movement during the year ended 31 March 2019	31 March 2018	On account of Business Combination (Refer Note 43)	Recognised in profit and Loss	Recognised in Other Comprehensive Income	31 March 2019
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Tax effect of items constituting deferred tax assets</b>					
Expenses allowable for tax purpose when paid	(43.51)	-	(44.62)	-	(88.13)
Provision for impairment of property, plant and equipments	(1.75)	-	-	-	(1.75)
Provision for doubtful receivables / loans	(259.72)	-	(15.67)	-	(275.39)
Provision for employee benefits	(95.26)	-	(24.04)	6.67	(112.63)
Carry forward of unabsorbed depreciation	(275.10)	-	(329.32)	-	(604.42)
Carry forward of business loss	(102.19)	-	-	-	(102.19)
Other items giving rise to temporary differences	(41.05)	-	(48.75)	-	(89.80)
	<b>(818.58)</b>	<b>-</b>	<b>(462.40)</b>	<b>6.67</b>	<b>(1,274.31)</b>
<b>Tax effect of items constituting deferred tax liabilities</b>					
Accelerated depreciation for tax purposes	1,378.77	7,122.93	(12.74)	-	8,488.96
	<b>1,378.77</b>	<b>7,122.93</b>	<b>(12.74)</b>	<b>-</b>	<b>8,488.96</b>
<b>Deferred tax liability / (asset)</b>	<b>560.19</b>	<b>7,122.93</b>	<b>(475.14)</b>	<b>6.67</b>	<b>7,214.65</b>
MAT Credit entitlement	(1,141.33)	-	162.80	-	(978.53)
<b>Net Deferred tax liability / (asset)</b>	<b>(581.14)</b>	<b>7,122.93</b>	<b>(312.34)</b>	<b>6.67</b>	<b>6,236.12</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Movement during the year ended 31 March 2018

	1 April 2017	Recognised in profit and Loss	Recognised in Other Comprehensive Income	31 March 2018
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Tax effect of items constituting deferred tax assets</b>				
Expenses allowable for tax purpose when paid	(84.60)	41.09	-	(43.51)
Provision for impairment of property, plant and equipments	(1.73)	(0.02)	-	(1.75)
Provision for doubtful receivables / loans	(154.34)	(105.37)	-	(259.72)
Provision for employee benefits	(67.72)	(31.13)	3.59	(95.26)
Carry forward of unabsorbed depreciation	-	(275.10)	-	(275.10)
Carry forward of business loss	(6.47)	(95.72)	-	(102.19)
Other items giving rise to temporary differences	-	(41.05)	-	(41.05)
	<b>(314.86)</b>	<b>(507.31)</b>	<b>3.59</b>	<b>(818.58)</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Accelerated depreciation for tax purposes	1,248.46	130.31	-	1,378.77
Other items giving rise to temporary differences	27.97	(27.97)	-	-
	<b>1,276.43</b>	<b>102.34</b>	<b>-</b>	<b>1,378.77</b>
<b>Deferred tax liability / (asset)</b>	<b>961.57</b>	<b>(404.97)</b>	<b>3.59</b>	<b>560.19</b>
MAT Credit entitlement	(1,764.74)	623.41	-	(1,141.33)
<b>Net Deferred tax liability / (asset)</b>	<b>(803.17)</b>	<b>218.44</b>	<b>3.59</b>	<b>(581.14)</b>

The tax rate used for above income tax expense reconciliation for 31 March 2019 and 31 March 2018 is 34.944% and 34.608% respectively.

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

## NOTE 22: OTHER NON-CURRENT LIABILITIES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Deferred Government grant	593.82	323.28	385.66
	<b>593.82</b>	<b>323.28</b>	<b>385.66</b>
<b>At 1 April</b>	<b>385.66</b>	<b>448.04</b>	<b>510.42</b>
Received during the year	417.59	-	-
Released to the statement of profit and loss (refer Note 27)	(91.07)	(62.38)	(62.38)
<b>At 31 March</b>	<b>712.18</b>	<b>385.66</b>	<b>448.04</b>
<b>The above amount is classified as:</b>	593.82	323.28	385.66
Non current	118.36	62.38	62.38
Current	<b>712.18</b>	<b>385.66</b>	<b>448.04</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 23: TRADE PAYABLES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Dues to micro and small enterprises*	-	-	-
Other payables	8,564.95	9,968.91	7,161.49
	<b>8,564.95</b>	<b>9,968.91</b>	<b>7,161.49</b>

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

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

For explanations on the Group's credit risk management processes, refer to Note 46.

## NOTE 24: OTHER CURRENT FINANCIAL LIABILITIES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Current maturities of long-term borrowing (refer Note 18)	-	-	1,485.77
Creditors for capital goods	356.60	894.01	1,045.32
Security deposits	344.25	354.25	309.26
Dividend Payable	0.07	-	-
Refund liabilities (refer note 27)	36.71	570.02	-
Other liabilities	-	200.08	-
	<b>737.63</b>	<b>2,018.36</b>	<b>2,840.35</b>

## NOTE 25: OTHER CURRENT LIABILITIES

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Contract liabilities	645.65	668.87	528.87
Statutory dues	555.15	238.47	81.68
Deferred Government grant (refer Note 22)	118.36	62.38	62.38
	<b>1,319.16</b>	<b>969.72</b>	<b>672.93</b>

## NOTE 26: NON-CURRENT TAX LIABILITIES (NET)

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Income tax provision [Net of advance tax: Nil (31 March 2018: ₹ 3,346.54 lakhs), (1 April 2017: Nil)]	-	2.24	-
	-	<b>2.24</b>	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 27: REVENUE FROM OPERATIONS

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Sale of products*</b>		
Finished goods	1,14,792.59	97,987.32
Traded goods	1,614.47	2,391.78
	<b>1,16,407.06</b>	<b>1,00,379.10</b>
<b>Other operating revenues</b>		
Sale of starch	145.88	148.06
Scrap sales	235.51	265.04
Government grants (refer Note 40)	272.51	1,048.07
	<b>653.90</b>	<b>1,461.17</b>
	<b>1,17,060.96</b>	<b>1,01,840.27</b>

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

### Note A: Reconciliation of revenue recognised with contract price

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Contract price	1,20,374.22	1,05,296.17
Adjustments for refund liabilities:		
Discount and rebates	3,967.16	4,917.07
<b>Revenue from contract with customers</b>	<b>1,16,407.06</b>	<b>1,00,379.10</b>

### Note B: Disaggregation of revenue

The Group has a single stream of revenue i.e. sale of products. However, the Group has operations spread across geographical area, viz. in India and outside India, details of which is as under:

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
India	1,15,813.89	99,756.07
Outside India	593.17	623.03
	<b>1,16,407.06</b>	<b>1,00,379.10</b>

### Note C: Contract balances

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
(i) Contract assets	-	-
(ii) Trade receivables (pertaining to contract with customers)	3,078.27	2,043.30
(iii) Contract liabilities		
<b>Advance from customers</b>		
At the beginning of the year	668.87	528.87
Add: Received during the year	645.65	668.87
Less: Recognised as revenue during the year	(668.87)	(528.87)
<b>At the end of the year</b>	<b>645.65</b>	<b>668.87</b>

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised products.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Note D: Refund liabilities

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Refund liabilities, arising from		
Discount and rebates (refer note 24)	36.71	570.02

## NOTE 28: OTHER INCOME

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Interest income on:		
Bank deposits	886.38	644.62
On unwinding of other financial assets	48.80	17.46
Others	158.00	142.69
Miscellaneous income	0.06	0.20
	<b>1,093.24</b>	<b>804.97</b>

## NOTE 29: COST OF MATERIALS CONSUMED

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Inventory at the beginning of the year	6,467.73	5,734.56
Add: Purchases	84,088.64	67,712.96
	<b>90,556.37</b>	<b>73,447.52</b>
Less : Sale of inventory	(190.77)	(306.50)
Less: Inventory at the end of the year	(9,446.35)	(6,467.73)
<b>Cost of raw material consumed</b>	<b>80,919.25</b>	<b>66,673.29</b>

## NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Opening stock:		
Finished goods	1,659.33	1,535.84
Traded goods	118.65	43.54
	<b>1,777.98</b>	<b>1,579.38</b>
Acquisition through business combination		
Finished goods	36.72	-
	<b>36.72</b>	<b>-</b>
Less: Closing stock:		
Finished goods	1,788.15	1,659.33
Traded Goods	11.52	118.65
	<b>1,799.67</b>	<b>1,777.98</b>
(Increase) / Decrease in inventories	<b>15.03</b>	<b>(198.60)</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## NOTE 31: EMPLOYEE BENEFITS EXPENSE

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Salaries, wages and bonus	3,705.74	3,211.24
Contribution to provident and other funds (refer Note 40)	203.82	190.89
Gratuity expense (refer Note 36)	69.37	79.20
Staff welfare expenses	174.67	170.66
	<b>4,153.60</b>	<b>3,651.99</b>

## NOTE 32: FINANCE COSTS

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Interest:		
On loans	33.64	176.60
On others	33.55	45.64
Bank charges	11.86	18.30
Exchange differences on buyers credit	6.72	49.85
	<b>85.77</b>	<b>290.39</b>

## NOTE 33: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Depreciation of property, plant and equipments (refer Note 3)	3,206.42	2,605.77
Amortisation of intangible assets (refer Note 4)	557.20	436.00
	<b>3,763.62</b>	<b>3,041.77</b>

## NOTE 34: OTHER EXPENSE

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Consumption of stores, spares and other consumables	1,522.00	1,703.95
Security charges	258.24	189.51
Housekeeping charges	101.72	99.25
Power and fuel	2,692.70	2,594.11
Contract labour expenses (refer Note 40)	3,064.76	2,615.34
Freight and forwarding charges	8,413.77	7,686.50
Rent / lease rent (refer Note 37)	738.21	698.16
Rates and taxes	20.00	43.51
Insurance charges	69.13	46.43
Job work charges	1,671.53	620.00
Repairs and maintenance		
- Plant and machinery	510.73	274.29
- Buildings	199.99	177.12
- Others	154.56	113.03
Advertisement and sales promotion	1,722.88	2,544.08
Provision for doubtful receivables and advances	44.34	297.28



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Travelling and conveyance	342.36	278.91
Printing and stationery	46.59	30.36
Legal and professional fees	382.03	333.80
Payment to auditor	61.39	46.83
Provision for Inventory	108.30	-
Loss on sale of property, plant and equipments	3.64	27.86
Loss on discard of property, plant and equipments	8.52	27.65
Corporate social responsibility expenditure	59.42	43.08
Directors sitting fees and commission	75.20	26.90
Other expenses	270.94	251.29
	<b>22,542.95</b>	<b>20,769.24</b>

## NOTE 35: EARNINGS PER SHARE ('EPS')

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

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

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

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Profit attributable to equity shareholders	<b>4,464.13</b>	<b>4,417.73</b>
Weighted average number of equity shares for basic EPS	234.53	213.41
Effect of dilution:		
Compulsorily convertible preference shares	-	8.35
Weighted average number of Equity shares adjusted for the effect of dilution *	<b>234.53</b>	<b>221.76</b>
<b>Earnings per equity share (in ₹)</b>		
Basic (Face Value of ₹ 5 each)	<b>19.03</b>	<b>20.70</b>
Diluted (Face Value of ₹ 5 each)	<b>19.03</b>	<b>19.92</b>

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

## NOTE 36: EMPLOYEE BENEFITS

### (a) Defined contribution plans

#### a. Provident fund

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

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹ lakhs	₹ lakhs
<b>Included in contribution to provident and other funds</b>		
Provident fund	141.96	133.23

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## (b) Defined benefit plans

### Gratuity - Non-funded

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

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Current	26.60	21.22	15.15
Non-current	282.26	230.31	169.11
	<b>308.86</b>	<b>251.53</b>	<b>184.26</b>

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

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>I (a) Expense recognised in the statement of profit and loss for the year ended</b>		
Current service cost	50.72	39.97
Past service cost	-	24.09
Interest cost on benefit obligation	18.65	15.14
Components of defined benefit costs recognised in statement of profit and loss (refer Note 31)	<b>69.37</b>	<b>79.20</b>
<b>(b) Included in other comprehensive income</b>		
Actuarial gain / (loss) for the year on present defined benefit obligation	19.10	10.37
<b>Actuarial (gain) / loss recognised in OCI</b>	<b>19.10</b>	<b>10.37</b>
<b>II Change in present value of defined benefit obligation during the year</b>		
1. Present value of defined benefit obligation at the beginning of the year	251.53	184.26
2. Acquisition through business combination	15.40	-
3. Interest cost	18.65	15.14
4. Current service cost	50.72	39.97
5. Past service cost	-	24.09
6. Benefits paid	(8.34)	(1.56)
7. Total actuarial gain / (loss) on obligation	19.10	10.37
8. Present value of defined benefit obligation at the end of the year	<b>308.86</b>	<b>251.53</b>

### Details of asset-liability matching strategy

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





# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

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

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

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

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

	Discount rate		
	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 0.50% increase in rate	(11.87)	(10.66)	(7.98)
Impact of 0.50% decrease in rate	12.74	8.82	7.18

	Future salary increases		
	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 0.50% increase in rate	10.58	7.38	6.31
Impact of 0.50% decrease in rate	(10.35)	(9.55)	(7.42)

	Withdrawal rate		
	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Impact on defined benefit obligation</b>			
Impact of 10% increase in rate	0.03	0.95	1.55
Impact of 10% decrease in rate	(0.10)	(1.98)	(0.14)

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

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

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

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Within the next 12 months (next annual reporting period)	26.60	21.22	15.15
Between 2 and 5 years	119.20	101.58	71.14
Beyond 5 years	150.18	408.83	287.38

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.65 years (31 March 2018: 8.76 years and 1 April 2017: 8.99 years)

# Notes to the Consolidated Financial Statements

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(All amounts in INR lakhs, unless otherwise stated)

## NOTE 37: COMMITMENTS AND CONTINGENCIES

### I. Operating lease commitments

#### (a) Group as a lessee

The Group has entered into operating lease arrangements for its factory building and warehouses.

Future minimum rentals payable and charged to statement of profit and loss under non-cancellable operating leases as at 31 March are, as follows:

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Charged to statement of profit and loss	617.30	565.84	539.80
Future minimum rentals payable under non-cancellable operating leases are as under			
- not later than one year	631.24	617.30	565.06
- later than one year but not later than five years	2,234.65	2,452.45	2,475.92
- later than five years	872.72	1,428.74	1,963.05

### II. Capital commitments

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	467.01	380.51	1,152.42

### III. Other commitments

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
(a) Preservation charges payable to cold storage owners	246.19	171.64	163.24

### IV. Contingent liabilities (to the extent not provided for)

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Claims against the Group not acknowledged as debts			
Disputed income tax liability*	-	-	12.67
Disputed value added tax liability**	-	-	4.50
Disputed central sales tax liability (net of C Forms collected)***	-	-	4.27
Provident fund****	Amount not determinable	-	-
	-	-	21.44

#### Notes:

\* Income tax demand as at 1 April 2017 comprise of demand from the income tax department for AY 2010-11. The Holding Company had filed an appeal before the CIT(A) and the assessment has been closed in the year ended 31 March 2018.

\*\* Value added tax demand as at 1 April 2017 comprised of demand from the commercial taxes department for FY 2014-15. During the current year the Holding Company has paid the disputed demand of ₹ 4.50 lakhs and the assessment has been closed in the year ended 31 March 2018.

\*\*\* Central Sales tax demand as at 1 April 2017 comprised of demand from the Central Sales tax authorities for FY 2012-13, 2013-14 and 2014-15. During the current year, the Holding Company has submitted the required forms and supporting documentary evidences within the time granted and the assessment has been closed in the year ended 31 March 2018.

\*\*\*\* There are numerous interpretative issues relating to the Supreme Court (SC) judgement on provident fund dated 28 February 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision on receiving further clarity on the subject.



# Notes to the Consolidated Financial Statements

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## NOTE 38: RELATED PARTY TRANSACTIONS

### I] Names of related parties and related party relationship

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

<b>Enterprise having significant influence</b>	SCI Growth Investment II
<b>Key management personnel</b>	Mr. Arvind Mehta, Chairman and Executive Director Mr. Amit Kumat, Managing Director and Chief Executive Officer Mr. Apoorva Kumat, Executive Director - Operations (w.e.f. from 2 November 2018) Mrs. Anisha Motwani, Independent Director Dr. Om Prakash Manchanda, Independent Director Mr. Vineet Kumar Kapila, Independent Director Mr. Haresh Ram Chawla, Independent Director Mr. Chetan Kumar Mathur, Independent Director (w.e.f. from 7 August 2018)
<b>Relatives of key management personnel</b>	Mr. Rajesh Mehta, Brother of Mr. Arvind Mehta Mr. Naveen Mehta, Brother of Mr. Arvind Mehta Mr. Arun Mehta, Brother of Mr. Arvind Mehta Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta Mrs. Rita Mehta, Wife of Mr. Arun Mehta Mr. Apoorva Kumat, Brother of Mr. Amit Kumat (till 1 November 2018) Mrs. Premlata Kumat, Mother of Mr. Amit Kumat Mrs. Swati Bapna, Sister of Mr. Amit Kumat Mrs. Rakhee Kumat, Wife of Mr. Amit Kumat Mrs. Sandhya Kumat, Wife of Mr. Apoorva Kumat Mr. Satvik Kumat, Son of Mr. Apoorva Kumat (w.e.f. from 6 February 2019)

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

#### a. Recovery of expenses from (refer Note 41)

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Enterprise having significant influence</b>		
SCI Growth Investment II - IPO expenses	-	781.80
<b>Key managerial personnel</b>		
Mr. Arvind Mehta - IPO expenses	-	109.06
Mr. Amit Kumat - IPO expenses	-	69.41
<b>Relatives of key management personnel</b>		
Mr. Apoorva Kumat - IPO expenses	-	69.41
Mrs. Premlata Kumat - IPO expenses	-	46.27
Mrs. Swati Bapna - IPO expenses	-	13.22
Mrs. Kanta Mehta - IPO expenses	-	39.66
Mr. Naveen Mehta - IPO expenses	-	82.63
	-	<b>1,211.46</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## b. Remuneration

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Key managerial personnel</b>		
Mr. Arvind Mehta*	75.00	56.25
Mr. Amit Kumar*	75.00	56.25
Mr. Apoorva Kumar*	31.25	-
Sitting fees to Independent Directors	75.20	26.90
<b>Relatives of key management personnel</b>		
Mr. Apoorva Kumar*	43.75	56.25
Mr. Satvik Kumar*	0.57	-
	<b>300.77</b>	<b>195.65</b>

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

## c. Dividend

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
<b>Enterprise having significant influence</b>		
SCI Growth Investment II**	83.93	-
<b>Key managerial personnel</b>		
Mr. Arvind Mehta	5.60	-
Mr. Amit Kumar	5.76	-
<b>Relatives of key management personnel</b>		
Mr. Apoorva Kumar	5.48	-
Mrs. Premlata Kumar	5.59	-
Mrs. Swati Bapna	2.04	-
Mrs. Kanta Mehta	2.33	-
Mr. Naveen Mehta	9.04	-
Mr. Rajesh Mehta	6.81	-
Mr. Arun Mehta	5.72	-
Mrs. Rita Mehta	3.26	-
Mrs. Sandhya Kumar	1.30	-
Mrs. Rakhee Kumar	1.10	-
	<b>137.96</b>	<b>-</b>

\*Includes preference dividend of ₹ Nil (31 March 2018 : ₹ 113)

## d. Closing balances

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Preference dividend payable*</b>			
<b>Enterprise having significant influence</b>			
SCI Growth Investment II	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

\*Preference dividend payable of Nil [(31 March 2018: Nil), (1 April 2017: ₹ 472)]



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Other payables (refer Note 41)

### Enterprise having significant influence

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
SCI Growth Investment II	-	87.67	-
<b>Key managerial personnel</b>			
Mr. Arvind Mehta	-	12.23	-
Mr. Amit Kumat	-	7.78	-
<b>Relatives of key management personnel</b>			
Mr. Apoorva Kumat	-	7.78	-
Mrs. Premlata Kumat	-	5.19	-
Mrs. Swati Bapna	-	1.48	-
Mrs. Kanta Mehta	-	4.45	-
Mr. Naveen Mehta	-	9.27	-
	-	<b>135.85</b>	-

### e. Guarantee given to banks for loans taken by the Group

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Key managerial personnel</b>			
Mr. Arvind Mehta (refer Note 18)	-	-	-
	-	-	-

### Terms and conditions of transactions with related parties

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

## NOTE 39: SEGMENT INFORMATION

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

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

### A] Information about products and services

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Revenue from sale of goods to external customers		
Finished goods	1,14,792.59	97,987.32
Traded goods	1,614.47	2,391.78

# Notes to the Consolidated Financial Statements

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(All amounts in INR lakhs, unless otherwise stated)

## B] Information about geographical areas

	Sale of goods	Non current operating assets
	₹ lakhs	₹ lakhs
<b>Year ended 31 March 2019</b>		
India	1,15,813.89	53,278.60
Outside India	593.17	-
<b>Total</b>	<b>1,16,407.06</b>	<b>53,278.60</b>
<b>Year ended 31 March 2018</b>		
India	99,756.07	27,065.12
Outside India	623.03	-
<b>Total</b>	<b>1,00,379.10</b>	<b>27,065.12</b>
<b>Year ended 1 April 2017</b>		
India		25,651.80
Outside India		-
<b>Total</b>		<b>25,651.80</b>

## C] Notes

- Segment revenue in the geographical segments considered for disclosure are as follows:
  - Revenue within India includes sales to customers located within India.
  - Revenue outside India includes sales to customers located outside India.
- The Group does not have any customer, with whom revenue from transactions is more than 10% of Group's total revenue.
- Non current operating assets for this purpose consist of property, plant and equipments, capital work-in-progress, investment property, investment property under development, intangible assets and intangible assets under development

### NOTE 40: GOVERNMENT GRANT

- Government grants consists of sales tax / GST incentive amounting to ₹ 92.90 lakhs [31 March 2018: ₹ 830.46 lakhs (including ₹ 787.51 lakhs relating to earlier years)] and freight subsidy amounting to ₹ 79.07 lakhs (31 March 2018: ₹ 155.23 lakhs) and amortisation of Government grant amounting to ₹ 91.07 lakhs [31 March 2018: 62.38 lakhs] have been received for the purchase of certain items of property, plant and equipments. There are no unfulfilled conditions or contingencies attached to these grants.
- The Group is eligible for government grant under 'Pradhan Mantri Rojgar Protsahan Yojana' ('PMRPY') to the extent of 8.33% of the employer's contribution to the Employee's Pension Scheme on satisfaction of the terms attached to the scheme from financial year 31 March 2019 onwards. The said grant income is recognised by the Group by deducting the grant amount from the related expense. Accordingly, the contract labour expense (refer Note 34) for the year ended 31 March 2019 is lower by ₹ 57.25 lakhs and employee benefits expense (refer Note 31) is lower by ₹ 16.48 lakhs.



# Notes to the Consolidated Financial Statements

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(All amounts in INR lakhs, unless otherwise stated)

## NOTE 41: SHARE ISSUE EXPENSES RECOVERABLE

During the financial year ended 31 March 2018, the Holding Company had completed its initial public offer (IPO) through an offer for sale of 30.06 lakhs equity shares and a fresh issue of ₹ 21.32 lakhs equity shares of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The Holding Company has incurred total share issue expenses ₹ 29.32 lakhs (31 March 2018: ₹ 2,953.50 lakhs). Since the issue was an offer for sale and a fresh issue, all the share issue expenses related to the IPO have been proportionately distributed between the Holding Company and the selling shareholders. The Holding Company's share of expenses amounting to ₹ 12.17 lakhs (31 March 2018: ₹ 1,225.66 lakhs) have been adjusted against securities premium to the extent permissible under Section 52 of the Act on successful completion of IPO.

## NOTE 42: INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF THE ACT

Name of the entity	% of share in Net Assets		% of share in Net sales		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs
<b>As on 31 March 2019</b>										
<b>Holding Company</b>										
Prataap Snacks Limited	102%	57,411.95	91%	1,06,891.66	104%	4,646.49	77%	9.51	104%	4,656.00
<b>Subsidiary Companies</b>										
Pure N Sure Food Bites Private Limited	4%	2,454.05	2%	2,343.84	-6%	(259.96)	1%	0.17	-6%	(259.79)
Avadh Snacks Private Limited	6%	3,224.99	7%	8,016.20	7%	314.82	22%	2.75	7%	317.57
<b>Employee Welfare Trust</b>										
Prataap Snacks Employees Welfare Trust	0%	19.07	0%	-	0%	10.37	0%	-	0%	10.37
	<b>112%</b>	<b>63,110.06</b>	<b>100%</b>	<b>1,17,251.70</b>	<b>105%</b>	<b>4,711.72</b>	<b>100%</b>	<b>12.43</b>	<b>105%</b>	<b>4,724.15</b>
Inter Company eliminations	-12%	(6,974.35)	0%	(190.74)	-5%	(247.59)	0%	-	-5%	(247.59)
<b>Total</b>	<b>100%</b>	<b>56,135.71</b>	<b>100%</b>	<b>1,17,060.96</b>	<b>100%</b>	<b>4,464.13</b>	<b>100%</b>	<b>12.43</b>	<b>100%</b>	<b>4,476.56</b>

Name of the entity	% of share in Net Assets		% of share in Net sales		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs
<b>As on 31 March 2018</b>										
<b>Holding Company</b>										
Prataap Snacks Limited	102%	53,050.86	99%	1,01,159.44	110%	4,878.63	85%	5.75	110%	4,884.38
<b>Subsidiary Company</b>										
Pure N Sure Food Bites Private Limited	5%	2,714.25	1%	680.83	-7%	(297.88)	15%	1.03	-7%	(296.85)
<b>Employee Welfare Trust</b>										
Prataap Snacks Employees Welfare Trust	0%	8.70	0%	-	0%	3.44	0%	-	0%	3.44
	<b>107%</b>	<b>55,773.81</b>	<b>100%</b>	<b>1,01,840.27</b>	<b>104%</b>	<b>4,584.19</b>	<b>100%</b>	<b>6.78</b>	<b>104%</b>	<b>4,590.97</b>
Inter Company eliminations	-7%	(3,819.75)	0%	-	-4%	(166.46)	0%	-	-4%	(166.46)
<b>Total</b>	<b>100%</b>	<b>51,954.06</b>	<b>100%</b>	<b>1,01,840.27</b>	<b>100%</b>	<b>4,417.73</b>	<b>100%</b>	<b>6.78</b>	<b>100%</b>	<b>4,424.51</b>

# Notes to the Consolidated Financial Statements

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(All amounts in INR lakhs, unless otherwise stated)

## NOTE 43: BUSINESS COMBINATION

On 1 October 2018, the Group acquired 80% of the issued share capital of Avadh Snacks Private Limited ('Avadh'), a manufacturer of packaged snacks product. This deal envisaged the acquisition of the brand 'Avadh' and distribution network in the state of Gujarat, helping the Group to accelerate their growth and deepen their presence in the key market for packaged snacks products. Pursuant to the shareholder's agreement, the Group has written put option on the balance 20% of the equity share capital. The Group has assessed that it has present ownership interest over the balance 20% of the equity shares and has accordingly consolidated 100% of the assets and liabilities of Avadh Snacks Private Limited. This transaction is accounted as per Ind AS 103 'Business Combination' on provisional basis.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	₹ lakhs
Cash	13,800.00
Deferred contingent consideration	6,858.00
<b>PURCHASE CONSIDERATION</b>	<b>20,658.00</b>

The determination of the fair value of the contingent consideration is based on discounted cashflow method. Key assumptions used to determine the fair value are estimated future profitability of Avadh, expected future market valuation of the Holding Company, expected timing of exercise of the put option, probability assigned to each scenarios and discount rate. The amount payable at the time of exit is estimated to be in the range of ₹ 6,878 lakhs to ₹ 18,000 lakhs. There is no movement in the fair value of contingent consideration during the year.

The fair values of the identifiable assets and liabilities of Avadh Snacks Private Limited as at the acquisition date were:

	₹ lakhs
<b>(A) ASSETS ACQUIRED</b>	
(a) Property, plant and equipments	2,122.00
(b) Capital work-in-progress	148.00
(c) Intangible assets	
Distributor Network	13,590.00
Trade Name	5,950.00
(d) Tax assets (net)	87.36
(e) Inventories	413.89
(f) Trade receivables	214.63
(g) Cash and cash equivalents	1,610.00
(h) Other current financial assets	14.99
(i) Other current assets	9.36
<b>TOTAL ASSETS ACQUIRED (A)</b>	<b>24,160.23</b>
<b>(B) LIABILITIES ASSUMED</b>	
(a) Deferred tax liabilities	7,123.00
(b) Borrowings	480.00
(c) Trade payables	434.44
(d) Other current liabilities	75.79
<b>TOTAL LIABILITIES ASSUMED (B)</b>	<b>8,113.23</b>
<b>NET IDENTIFIABLE ASSETS ACQUIRED (A - B)</b>	<b>16,047.00</b>

The fair value of trade and other receivables amount to ₹ 214.63 lakhs. The gross contractual amount receivable from trade and other receivables is ₹ 214.63 lakhs. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be collected. Further, no contingent liability of has been transferred to the Group.





# Notes to the Consolidated Financial Statements

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(All amounts in INR lakhs, unless otherwise stated)

## Calculation of goodwill

	₹ lakhs
Purchase consideration	20,658.00
Less: Net identifiable assets acquired	(16,047.00)
<b>GOODWILL</b>	<b>4,611.00</b>

The goodwill on acquisition is attributable to skilled employees, customer list, expected synergies from acquisition and other intangible assets of the Company that cannot be identified separately. The amount of goodwill is not expected to be deductible for tax purposes.

## Revenue and profit contribution

The acquired business contributed ₹ 8,016.20 lakhs and ₹ 317.57 lakhs towards revenue and profit of the Group for the period 1 October 2018 to 31 March 2019.

If the acquisition had occurred on 1 April 2018, the pro-forma revenue and loss for the year ended 31 March 2019 would have been ₹ 15,481.16 lakhs and ₹ 49.35 lakhs respectively. These amounts have been calculated using the subsidiary's results and adjusting them for the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2018, together with the consequential tax effects.

## Purchase consideration - cash outflow

	₹ lakhs
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	13,800.00
Less: Balance acquired	
Cash	4.13
Bank balance	1,605.87
<b>Net cashflow on acquisition</b>	<b>12,190.00</b>

## NOTE 44: FAIR VALUES

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

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Non-current financial assets</b>						
Loans						
Loans to transporters	-	-	12.54	-	-	12.54
Loans - Others	1,595.83	1,554.60	1,427.18	1,595.83	1,554.60	1,427.18
Other non-current financial assets						
Security deposits	453.16	411.40	390.15	463.02	400.69	408.21
Margin money deposit	2.56	5.79	130.61	2.56	5.79	130.61
Subsidy receivable	764.15	155.25	-	757.53	155.25	-
Others	0.10	0.10	0.12	0.10	0.10	0.12
<b>Current financial assets</b>						
Trade receivables	3,078.27	2,043.30	1,450.95	3,078.27	2,043.30	1,450.95
Loans	82.98	87.59	78.10	82.98	87.59	78.10
Other current financial assets	233.60	1,496.72	605.02	233.60	1,496.72	605.02
<b>Total</b>	<b>6,210.65</b>	<b>5,754.75</b>	<b>4,094.67</b>	<b>6,213.89</b>	<b>5,744.04</b>	<b>4,112.73</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>Non-current financial liabilities</b>						
Borrowings	-	-	3,871.63	-	-	3,972.37
Other non-current financial liabilities	6,858.00	-	-	6,858.00	-	-
<b>Current financial liabilities</b>						
Borrowings	1,786.59	748.24	2,688.88	1,786.59	748.24	2,688.88
Trade payables	8,564.95	9,968.91	7,161.49	8,564.95	9,968.91	7,161.49
Other current financial liabilities	737.63	2,018.36	2,840.35	737.63	2,018.36	2,840.35
	<b>17,947.17</b>	<b>12,735.51</b>	<b>16,562.35</b>	<b>17,947.17</b>	<b>12,735.51</b>	<b>16,663.10</b>

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

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

1. Security deposits, loans and advances and other financial assets are evaluated by the Group based on parameters such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability. Based on this evaluation, allowances are taken into account for the expected credit losses of these loans and other financial assets.
2. The fair value of bank borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

## NOTE 45: FAIR VALUE HIERARCHY

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

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

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 44</b>			
<b>Non-current financial assets</b>			
Loans			
Loans - Others	-	1,595.83	-
Other non-current financial assets			
Security deposits	-	463.02	-
Margin money deposit	-	2.56	-
Subsidy receivable	-	757.53	-
Others	-	0.10	-



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Current financial assets</b>			
Trade receivables	-	3,078.27	-
Loans	-	82.98	-
Other current financial assets	-	233.60	-
<b>Non-current financial liabilities</b>			
Other non-current financial liabilities	-	-	6,858.00
<b>Current financial liabilities</b>			
Borrowings	-	1,786.59	-
Trade payables	-	8,564.95	-
Other current financial liabilities	-	737.63	-

## Fair value measurements using significant unobservable inputs (Level 3)

The following table summarises the valuation techniques used and the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

	Fair value 31 March 2019 ₹ lakhs	Significant unobservable inputs	Sensitivity
Deferred contingent consideration	6,858.00	Discount rate	A change of 100 basis points would increase / decrease the fair value by ₹ 258 lakhs
		Expected profitability of the acquiree	A change of 1000 basis points would increase / decrease the fair value by ₹ 286 lakhs

For reconciliation of fair value measurement of the contingent consideration liability, refer Note 43

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

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 44</b>			
<b>Non-current financial assets</b>			
Loans			
Loans - Others	-	1,554.60	-
Other non-current financial assets			
Security deposits	-	400.69	-
Margin money deposit	-	5.79	-
Subsidy receivable	-	155.25	-
Others	-	0.10	-
<b>Current financial assets</b>			
Trade receivables	-	2,043.30	-
Loans	-	87.59	-
Other current financial assets	-	1,496.72	-
<b>Current financial liabilities</b>			
Borrowings	-	748.24	-
Trade payables	-	9,968.91	-
Other current financial liabilities	-	2,018.36	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
<b>Assets and liabilities for which fair values are disclosed in Note 44</b>			
<b>Non-current financial assets</b>			
Loans			
Loans to transporters	-	12.54	-
Loan - Others		1,427.18	
Other non-current financial assets	-		-
Security deposits	-	408.21	-
Margin money deposit	-	130.61	-
Others	-	0.12	-
<b>Current financial assets</b>	-		-
Trade receivables		1,450.95	
Loans	-	78.10	-
Other current financial assets	-	605.02	-
<b>Non-current financial liabilities</b>	-		-
Borrowings	-	3,972.37	-
<b>Current financial liabilities</b>	-		-
Borrowings		2,688.88	
Trade payables	-	7,161.49	-
Other current financial liabilities	-	2,840.35	-

## NOTE 46: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Group is not significantly exposed to other price risk whereas the exposure to currency risk and interest risk is given below.

### Interest rate risk

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

### Foreign currency risk

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



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Foreign exchange exposures outstanding at the year end

	Currency	31 March 2019	31 March 2018	1 April 2017
		lakhs	lakhs	lakhs
Short-term borrowings - Buyer's credit	JPY	-	1,224.00	1,530.70
Export receivables	USD	0.51	0.41	0.41

## Foreign exchange exposures outstanding at the year end in ₹

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Short-term borrowings - Buyer's credit	-	748.24	890.64
Export receivables	35.52	26.56	26.55
<b>Net exposure (₹)</b>	<b>(35.52)</b>	<b>721.68</b>	<b>864.09</b>

## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Increase / decrease in %	Effect on profit or loss	
		31 March 2019	31 March 2018
		₹ lakhs	₹ lakhs
USD ₹	2%	0.71	0.53
	-2%	(0.71)	(0.53)
JPY ₹	2%	-	(14.96)
	-2%	-	14.96

## Credit risk

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

## Trade receivables

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

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

	₹ lakhs	
	Upto 180 Days	More than 180 Days
<b>As on 31 March 2019</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	3,078.27	274.33
Loss allowance provision	-	274.33
<b>As on 31 March 2018</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	2,043.30	198.06
Loss allowance provision	-	198.06
<b>As on 1 April 2017</b>		
Expected loss rate	0.00%	100.00%
Gross carrying amount	1,450.95	131.79
Loss allowance provision	-	131.79

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Reconciliation of loss allowance provision for trade receivables

	31 March 2019	31 March 2018
	₹ lakhs	₹ lakhs
Balance as at beginning of the year	198.06	131.79
On receivables originated in the year	82.00	71.92
Amounts recovered during the year	(5.73)	(5.65)
Balance at end of the year	<b>274.33</b>	<b>198.06</b>

## Liquidity Risk

### (i) Liquidity risk management

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

### (ii) Maturities of financial liabilities

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

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 31 March 2019</b>				
<b>Non-Current liabilities:</b>				
(i) Other non-current financial liabilities	-	9,659.00	-	9,659.00
<b>Current liabilities:</b>				
(i) Borrowings	1,786.59	-	-	1,786.59
(ii) Trade payables	8,564.95	-	-	8,564.95
(iii) Other current financial liabilities	737.63	-	-	737.63
	<b>11,089.17</b>	<b>9,659.00</b>	-	<b>20,748.17</b>
<b>As at 31 March 2018</b>				
<b>Current liabilities:</b>				
(i) Borrowings	748.24	-	-	748.24
(ii) Trade payables	9,968.91	-	-	9,968.91
(iii) Other current financial liabilities	2,018.36	-	-	2,018.36
	<b>12,735.51</b>	-	-	<b>12,735.51</b>
<b>As at 1 April 2017</b>				
<b>Non-current liabilities:</b>				
(i) Borrowings	-	3,885.13	-	3,885.13
<b>Current liabilities:</b>				
(i) Borrowings	2,688.88	-	-	2,688.88
(ii) Trade payables	7,161.49	-	-	7,161.49
(iii) Other current financial liabilities	2,840.35	-	-	2,840.35
	<b>12,690.72</b>	<b>3,885.13</b>	-	<b>16,575.85</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Changes in liabilities arising from financing activities:

	31 March 2018	Net Cash (Outflow) / Inflow	Foreign exchange movement	Acquired in business combination	31 March 2019
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Long-term interest bearing borrowings	-	-	-	-	-
Short-term interest bearing borrowings	748.24	549.85	8.50	480.00	1,786.59
	<b>748.24</b>	<b>549.85</b>	<b>8.50</b>	<b>480.00</b>	<b>1,786.59</b>

	1 April 2017	Net Cash (Outflow) / Inflow	Foreign exchange movement	Others	31 March 2018
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Long-term interest bearing borrowings	5,357.40	(5,357.40)	-	-	-
Short-term interest bearing borrowings	2,688.88	(1,976.36)	35.72	-	748.24
	<b>8,046.28</b>	<b>(7,333.76)</b>	<b>35.72</b>	-	<b>748.24</b>

### (iii) Maturities of financial assets

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

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 31 March 2019</b>				
<b>Non-current assets:</b>				
(i) Loans	-	1,595.83	-	1,595.83
(ii) Other non-current financial assets	-	1,025.00	494.00	1,519.00
<b>Current assets:</b>				
(i) Trade receivables	3,078.27	-	-	3,078.27
(ii) Loans	82.98	-	-	82.98
(iii) Other current financial assets	233.60	-	-	233.60
	<b>3,394.85</b>	<b>2,620.83</b>	<b>494.00</b>	<b>6,509.68</b>

### Year ended 31 March 2018

<b>Non-current assets:</b>				
(i) Loans	-	1,554.60	-	1,554.60
(ii) Other non-current financial assets	-	270.01	510.46	780.47
<b>Current asset:</b>				
(i) Trade receivables	2,043.30	-	-	2,043.30
(ii) Loans	87.59	-	-	87.59
(iii) Other current financial assets	1,496.72	-	-	1,496.72
	<b>3,627.61</b>	<b>1,824.61</b>	<b>510.46</b>	<b>5,962.68</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
<b>As at 1 April 2017</b>				
<b>Non-current assets:</b>				
(i) Loans	-	1,439.72	-	1,439.72
(ii) Other non-current financial assets	-	215.79	459.03	674.82
<b>Current assets:</b>				
(i) Trade receivables	1,450.95	-	-	1,450.95
(ii) Loans	78.10	-	-	78.10
(iii) Other current financial assets	605.02	-	-	605.02
	<b>2,134.07</b>	<b>1,655.52</b>	<b>459.03</b>	<b>4,248.62</b>

## NOTE 47: CAPITAL MANAGEMENT

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

	31 March 2019	31 March 2018	1 April 2017
	₹ lakhs	₹ lakhs	₹ lakhs
Debt (A)	1,786.59	748.24	6,560.51
Equity (B)	56,135.71	51,954.06	23,769.43
Debt / Equity ratio (A / B)	0.03	0.01	0.28

## NOTE 48: STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

### Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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





# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

The Group intends to adopt these standards from 1 April 2019. The Group is evaluating the requirements of the amendment and the effect on the Consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements

## for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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

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

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

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

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

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

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

### **Annual improvement to Ind AS (2018)**

These improvements include:

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

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

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

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

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

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

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

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

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



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

## Amendments to Ind AS 23: Borrowing Costs

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

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

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm registration number: 324982E/E300003

Chartered Accountants

per **Abhishek Agarwal**

Partner

Membership no.: 112773

Place: Indore

Date: May 21, 2019

For and on behalf of the Board of Directors of

**Prataap Snacks Limited**

(formerly known as Prataap Snacks Private Limited)

**Amit Kumar**

Managing Director and Chief Executive Officer

DIN - 02663687

**Sumit Sharma**

Chief Financial Officer

Place: Indore

Date: May 21, 2019

**Apoorva Kumar**

Executive Director (Operations)

DIN - 02630764

**Om Prakash Pandey**

Company Secretary

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### PART "A": SUBSIDIARIES

Amount in ₹ lakhs

Sl. No.	Particulars	Subsidiaries		
		Pure N Sure Food Bites Private Limited	Avadh Snacks Private Limited	Red Rotopack Private Limited
1.	Name of the subsidiary			
2.	The date since when subsidiary was acquired	27/12/2011	01/10/2018	01/10/2018
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
5.	Share capital	93.00	71.09	75.00
6.	Reserves & Surplus	2,361.45	3,016.81	136.72
7.	Total Assets	6,458.80	3,824.88	415.11
8.	Total Liabilities	4,004.35	737.02	203.42
9.	Investments	-	200.00	-
10.	Turnover	2,343.84	15,418.08	1,719.19
11.	Profit/(Loss) before taxation	(331.10)	486.04	42.03
12.	Provision for taxation	(71.13)	115.55	11.11
13.	Profit/(loss) after taxation	(259.97)	370.49	30.92
14.	Proposed Dividend	-	-	-
15.	% of shareholding	100.00%*	80.00%**	Nil (wholly owned subsidiary of Avadh Snacks Private Limited)

\*One share held by nominee shareholder on behalf of the Company.

\*\*Include 1,01,563 partly paid up equity shares.

Names of the subsidiary which are yet to commence operations : NIL

Names of subsidiary which have been liquidated or sold during the year : NIL

#### PART "B": ASSOCIATES AND JOINT VENTURES

Not Applicable

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

**Amit Kumat**  
Managing Director and  
Chief Executive Officer  
DIN: 02663687

**Apoorva Kumat**  
Executive Director  
(Operations)  
DIN: 02630764

**Sumit Sharma**  
Chief Financial Officer

**Om Prakash Pandey**  
Company Secretary

Place: Indore

Date: 21<sup>st</sup> May, 2019



# NOTICE

## 10<sup>th</sup> ANNUAL GENERAL MEETING

**CIN:** L15311MP2009PLC021746

**Registered Office:** Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452020 (M.P.) India

**Tel:** (91 731) 243 9999;

**E-mail:** [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in), **Website:** [www.yellowdiamond.in](http://www.yellowdiamond.in)

NOTICE is hereby given that the Tenth (10<sup>th</sup>) Annual General Meeting of the members of Prataap Snacks Limited will be held on Friday, 27<sup>th</sup> September, 2019 at 01:30 P.M. at the Registered Office of the Company at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452 020, Madhya Pradesh, India to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt:
  - the audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the Reports of the Board of Directors and Auditors thereon; and
  - the audited consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the Report of Auditors thereon.
- To declare dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2019.
- To appoint a Director in place of Mr. G.V. Ravishankar (DIN: 02604007), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
- To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment, modification or re-enactment thereof, for the time being in force), Messrs. S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), be and are hereby re-appointed as the Auditors of the Company for a term

of two (2) consecutive years, to hold office as such from the conclusion of this 10<sup>th</sup> Annual General Meeting until the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company, at a remuneration of ₹ 34,60,000/- (Rupees Thirty four lakhs sixty thousand only) per annum plus applicable taxes and reimbursement of out-of-pocket expenses incurred.”

### SPECIAL BUSINESS:

- To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rules made thereunder (including any statutory amendment, modification or re-enactment thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to adopt a new set of Articles of Association of the Company in the form specified in Table F in Schedule I of the Act to substitute the entire existing Articles of Association of the Company.”

By Order of the Board of Directors  
For **Prataap Snacks Limited**

**Om Prakash Pandey**  
Company Secretary & Compliance Officer

### Registered Office:

Khasra No. 378/2, Nemawar Road,  
Near Makrand House,  
Palda, Indore-452020, (M.P.), India

Place: Indore

Date: 9<sup>th</sup> August, 2019

## NOTES FOR MEMBERS' ATTENTION

1. The explanatory statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the Annual General Meeting is annexed hereto. The disclosures as per Regulation 36(5) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with respect to ordinary business for re-appointment of the Auditors are mentioned in explanatory statement annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF OR HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing Proxy, in order to be effective, must be received in the annexed Proxy Form at the Registered Office of the Company not less than forty-eight (48) hours before the time fixed for commencement of the Meeting, i.e. by 01:30 P.M. on 25<sup>th</sup> September, 2019.

A person shall not act as Proxy on behalf of members for more than fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled, will be considered as invalid. If the Company receives multiple proxies for the same holding of a Member, the proxy which is dated last will be considered as valid.

4. The proxy holder shall provide identity proof at the time of attending the Meeting.

5. Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting. In case of joint holders attending the Meeting, only one such joint holder whose name appears first in the joint holders list will be entitled to vote. Corporate members etc. intending to attend the Meeting through their authorised representatives are requested to send to the Company, a certified true copy of the Board Resolution, Power of Attorney or such other valid authorisation, authorising them to attend and vote on their behalf at the Meeting.

6. During the period beginning twenty-four (24) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days, upto and including the date of the Meeting. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the Meeting.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 21<sup>st</sup> September, 2019 to Friday, 27<sup>th</sup> September, 2019 (both days inclusive) for the purpose of the Meeting and determining the names of members eligible for dividend on equity shares, if declared at the Meeting.

8. If the dividend as recommended by the Board of Directors is declared at the Meeting, payment of such dividend will be made on or before 26<sup>th</sup> October, 2019 as under:

(i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 20<sup>th</sup> September, 2019; and

(ii) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 20<sup>th</sup> September, 2019.

9. Members holding shares in dematerialised form may please note that their bank account details as furnished by the respective depositories to the Company will be considered for payment/remittance of dividend as per the applicable regulations of the Depositories. The Company or its Registrar and Share Transfer Agents will neither entertain nor act on any direct request from such members for change/deletion in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend to be paid on shares held in dematerialised form. Members may therefore, give instructions regarding bank account details in which they wish to receive dividend to the Depository Participants. Members holding shares in



- physical form are requested to advise any change in their address or bank mandates to the Company/Registrar and Share Transfer Agents. Members may further note that as per amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed with effect from 1<sup>st</sup> April, 2019 unless the securities are held in the dematerialized form with a Depository. Member are therefore advised to dematerialise their holding for facilitating the transfer of shares.
10. Non-resident Indian Members are requested to inform Registrar and Share Transfer Agents, immediately of:
    - (i) the change in the residential status on return to India for permanent settlement; and
    - (ii) the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  11. This Notice of the Meeting along with the Attendance Slip, Proxy Form, Route map of the venue of the Meeting and the Annual Report 2018-19 of the Company are being sent by e-mail to all the members whose e-mail addresses (IDs) are registered with the Company/Depository Participant(s) unless any member has requested for a hard/physical copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode. The Annual Report 2018-19 circulated to the Members of the Company will also be made available on the Company's website [www.yellowdiamond.in](http://www.yellowdiamond.in). Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares on the cut-off date i.e 20<sup>th</sup> September, 2019, may obtain login id and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  12. Members seeking any information or clarification on the Annual Report 2018-19 are requested to send written queries to the Company, at least forty-eight (48) hours before the date of the Meeting to enable the Company to compile the information and provide replies at the Meeting.
  13. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. The Company has connectivity from NSDL and CDSL and equity shares of the Company may be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their demat account. The ISIN for the equity shares of the Company is INE393P01035. In case of any query/difficulty in any matter relating thereto may be addressed to the Registrar & Share Transfer Agents.
  14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company or to the Registrar & Share Transfer Agents.
  15. Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) in respect of the Director seeking re-appointment at the Annual General Meeting are furnished in Annexure –I, which is annexed to the Notice and forms part of the Notice. The Director has furnished the requisite consent/declaration for his re-appointment.
  16. Karvy Fintech Private Limited, Karvy Selenium, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032 is the Registrar & Share Transfer Agent for physical shares of the Company. Karvy Fintech Private Limited is also the depository interface of the Company with both NSDL and CDSL. Members are requested to address all correspondences to the said Registrar & Share Transfer Agents.
  17. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide an option to its Members the facility of remote e-voting ("remote e-voting is the facility of casting the votes by the Members using an electronic voting system for a place other than venue of the Meeting on resolutions proposed to be considered at the Meeting and as such all business may be transacted through remote e-voting"). The remote e-voting facility will be provided by Central Depository Services (India) Limited (CDSL).The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their votes again.
  18. The instructions for shareholders voting electronically are as under:
    - (i) The voting period begins on Monday, 23<sup>rd</sup> September, 2019 at 9.00 a.m. and ends on Thursday, 26<sup>th</sup> September, 2019 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 20<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Prataap Snacks Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.





(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

19. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off date, i.e. 20<sup>th</sup> September, 2019.

20. The Company has appointed Mr. Ritesh Gupta, (CP No. 3764), Proprietor of M/s. Ritesh Gupta & Company, Company Secretaries, as Scrutinizer to scrutinize the remote e-voting and ballot/poll voting process at the Annual General Meeting in a fair and transparent manner.

21. The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Ballot Paper for all those members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

22. The Scrutinizer shall after the conclusion of voting at the Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within forty-eight hours of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.

23. The result shall be declared on or after the date of the Meeting of the Company and shall be deemed to be passed on the date of the Meeting. The result declared, alongwith the Report of the Scrutinizer shall be placed on the website of the Company, [www.yellowdiamond.in](http://www.yellowdiamond.in) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing in that behalf. The result shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT FOR THE PROPOSED RESOLUTIONS (RESOLUTION NO. 4 AND 5) OF THE NOTICE DATED 9<sup>TH</sup> AUGUST, 2019 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AND REGULATION 36(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The following Statement sets out all material facts relating to the business mentioned in the accompanying Notice dated 9<sup>th</sup> August, 2019:

#### **ITEM NO. 4.**

The Members of the Company at the Annual General Meeting held on 7<sup>th</sup> August, 2014 had approved the appointment of Messrs. S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003) as the Auditors of the Company for a period of five years from the conclusion of the said Annual General Meeting. Messrs S R B C & CO LLP, Chartered Accountants will complete their present term on conclusion of this Annual General Meeting in terms of the said approval and Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Since Messrs. S R B C & CO LLP, Chartered Accountants have been functioning as Statutory Auditors of the Company since last eight consecutive years, the Board of Directors, on the recommendation of the Audit Committee, recommended for the approval of the Members, the re-appointment of Messrs. S R B C & CO LLP, as Auditors of the Company for another term of two consecutive years from the conclusion of this 10<sup>th</sup> Annual General Meeting till the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company at a remuneration as mentioned in the resolution no. 4 of this Notice for statutory audit, in accordance with the provisions of Section 139 read together with other provisions of Chapter X of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

Messrs. S R B C & CO LLP, Chartered Accountants, established in the year 2002, is a part of S. R. Batliboi & Affiliates network of audit firms. As on 31<sup>st</sup> March, 2019, the said network of audit

firms had 90 partners and employed more than 3,000 people. Messrs. S R B C & CO LLP, Chartered Accountants have given their consent to act as the Auditors of the Company and have confirmed that the said re-appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013.

The Board of Directors recommend the resolution as set out at item no. 4 of this Notice to be passed as an ordinary resolution by the members of the Company.

None of the Directors or Key Managerial Personnel of the Company, either directly or through their relatives are in any way, concerned or interested, whether financially or otherwise, in the resolution as set out at item no. 4 of this Notice.

#### **ITEM NO. 5.**

In terms of Section 14 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the consent of the members by way of special resolution is required to amend/alter/substitute the Articles of Association of the Company.

The Board of Directors recommend the resolution as set out at item no. 5 of this Notice to be passed as special resolution by the members of the Company to adopt a new set of Articles of Association of the Company in the form specified in Table F in Schedule I of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel either directly or through their relatives are in any way, concerned or interested, whether financially or otherwise, in the resolution as set out at item no. 5 of this Notice.

**ANNEXURE – I****Details of Director seeking re-appointment in the Annual General Meeting to be held on 27<sup>th</sup> September, 2019**

Name of Director	Mr. G.V. Ravishankar
DIN	02604007
Date of Birth & Age	04 <sup>th</sup> April, 1978 41 years
Nationality	Indian
Date of first appointment on the Board	12 <sup>th</sup> May, 2011
Qualifications & Experience (including nature of expertise in specific functional areas)/ brief resume	Mr. G.V. Ravishankar holds a bachelor's degree in engineering from Bharathidasan University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has previously worked with McKinsey & Company from 2004 to 2006. He has over 18 years of experience in management consultancy and private equity investments.
Number of Shares held in the Company	Nil
List of Directorships held in other companies	Director – a) Finova Capital Private Limited b) Suburban Diagnostics (India) Private Limited c) Homevista Decor and Furnishings Private Limited d) Pure N Sure Food Bites Private Limited e) Think & Learn Private Limited f) Go Fashion (India) Private Limited g) Rebel Foods Private Limited h) K12 Techno Services Private Limited i) Faces Cosmetics India Private Limited j) Indigo Paints Private Limited k) Capfloat Financial Services Private Limited l) Five-Star Business Finance Limited m) Sequoia Capital India Advisors Private Limited n) India Shelter Finance Corporation Limited
Chairman/Member of the Committees of the Boards of Company(s) in which he is a Director	Member- India Shelter Finance Corporation Limited a) Corporate Social Responsibility Committee b) Nomination and Remuneration Committee  Prataap Snacks Limited a) Audit Committee b) Nomination and Remuneration Committee c) Risk Management Committee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Number of Meetings of Board of Directors attended during the year ended 31 <sup>st</sup> March, 2019	5
Terms and conditions of re-appointment	Re-appointment as a Director, liable to retire by rotation.
Remuneration last drawn by such person, if applicable and Remuneration sought to be paid	Nil

By Order of the Board of Directors  
For **Prataap Snacks Limited**

**Om Prakash Pandey**  
Company Secretary & Compliance Officer

**Registered Office:**

Khasra No. 378/2, Nemawar Road, Near Makrand House,  
Palda, Indore-452020, (M.P.), India

Place: Indore

Date: 9<sup>th</sup> August, 2019



**PRATAAP SNACKS LIMITED**

**CIN:** L15311MP2009PLC021746

**Registered Office:** Khasra No. 378/2, Nemawar Road, Near Makrand House,  
Palda, Indore – 452020 (M.P.) India

**Phone:** (91 731) 243 9999

**E-mail:** [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in), **Website:** [www.yellowdiamond.in](http://www.yellowdiamond.in)

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member(s)	:
Registered address	:
E-mail Id	:
Folio No./DP Id & Client Id	:

I/We, being the member(s) of \_\_\_\_\_ equity shares of the above named Company, hereby appoint:

Name	:
Address	:
E-mail Id	:
<b>Signature</b> <input type="text"/>	or failing him;

Name	:
Address	:
E-mail Id	:
<b>Signature</b> <input type="text"/>	or failing him;

Name	:
Address	:
E-mail Id	:
<b>Signature</b> <input type="text"/>	

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Tenth (10<sup>th</sup>) Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2019 at 01:30 P.M. at the Registered Office of the Company at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore – 452 020, Madhya Pradesh, India and at any adjournment thereof in respect of the such resolutions as are indicated below:

<b>Ordinary Business</b>		<b>*For</b>	<b>*Against</b>
1	(a) Adoption of audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2019 and the Reports of the Board of Directors and Auditors thereon.		
	(b) Adoption of the audited consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2019 and the Report of Auditors thereon.		
2	Declaration of dividend on equity shares for the financial year ended 31 <sup>st</sup> March, 2019.		
3	Re-appointment of Mr. G.V. Ravishankar (DIN 02604007) as Director, who retires by rotation.		
4	Re-appointment of Messrs. S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), as the Auditors of the Company for a term of two (2) consecutive years, to hold office as such from the conclusion of the 10 <sup>th</sup> Annual General Meeting until the conclusion of the 12 <sup>th</sup> Annual General Meeting of the Company.		
<b>Special Business</b>			
5	Adoption of new set of Articles of Association of the Company in the form specified in Table F in Schedule I of the Companies Act, 2013.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of the Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix Revenue Stamp
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Notes:

- 1 This Proxy Form, in order to be effective, should be duly stamped, completed and deposited at the Registered Office of the Company at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452 020 (M.P.), India not less than FORTY-EIGHT(48) hours before the commencement of the Meeting.
- 2 For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Tenth (10<sup>th</sup>) Annual General Meeting.
- 3\* It is optional to put a '✓' in the appropriate column against the resolutions indicated above. If you leave 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



**PRATAAP SNACKS LIMITED**

**CIN:** L15311MP2009PLC021746

**Registered Office:** Khasra No. 378/2, Nemawar Road, Near Makrand House,  
Palda, Indore – 452020 (M.P.) India

**Phone:** (91 731) 243 9999

**E-mail:** [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in), **Website:** [www.yellowdiamond.in](http://www.yellowdiamond.in)

**ATTENDANCE SLIP**

**TENTH (10<sup>TH</sup>) ANNUAL GENERAL MEETING**

**Date: 27<sup>th</sup> September, 2019**

Folio No. /DP ID & Client ID	
Name and address of Member/Proxy/ Authorised Representative	
Name of Joint Member(s), if any	
Number of shares held	

I certify that I am member/proxy /authorised representative for the member(s) of the Company.

I hereby record my presence at the TENTH (10<sup>TH</sup>) ANNUAL GENERAL MEETING of Prataap Snacks Limited being held on Friday, 27<sup>th</sup> September, 2019 at 01:30 P.M. at the Registered Office of the Company at Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore-452020, Madhya Pradesh, India.

Signature of Member/Proxy/Authorised Representative

**Note(s):**

- (1) Member/Proxy holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting and handover at the entrance duly signed.
- (2) Member/Proxy holder desiring to attend the Meeting may bring his/her copy of the Annual Report for reference at the Meeting.
- (3) Only Member/Authorised Representative/Proxy will be allowed to attend the Meeting.

**NOTE: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING**

**ELECTRONIC VOTING PARTICULARS**

Electronic Voting Sequence Number (EVSN)	User ID*	PAN / Default Sequence No.**
190819033		

\*Use your Registered Folio No./DP ID & Client ID.

\*\*Members who have not updated their PAN with Company/Depository Participant shall use 10 digit default sequence number instead of PAN, which is printed on the address sticker at TOP in BOLD.

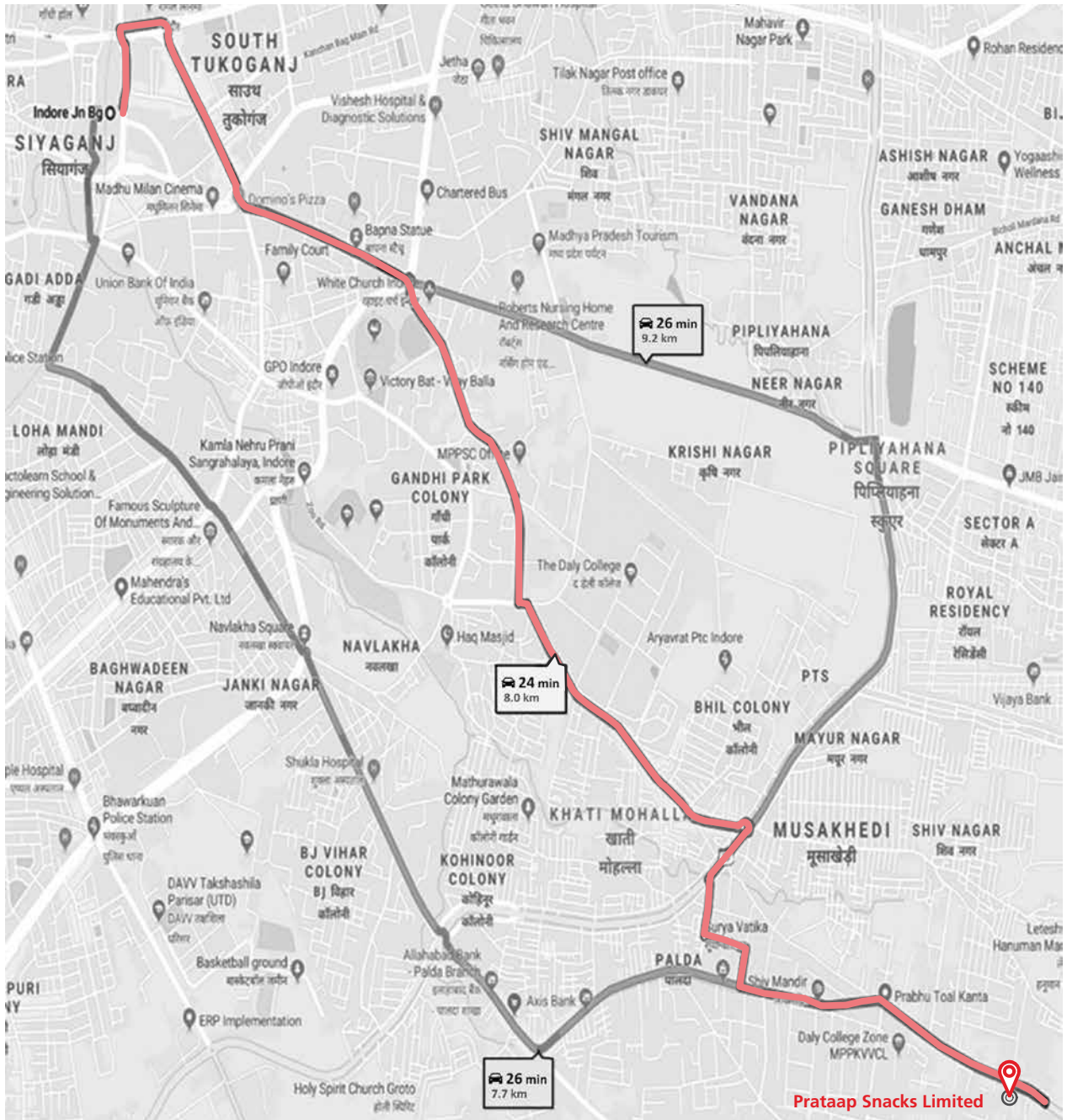
Note:

For e-voting, please read the instructions printed under the Note No. 18 of the Notice dated 9<sup>th</sup> August, 2019 of the 10<sup>th</sup> Annual General Meeting.

The e-voting period begins on Monday, 23<sup>rd</sup> September, 2019 at 9.00 a.m. and ends on Thursday, 26<sup>th</sup> September, 2019 at 5.00 p.m. The e-voting module shall be disabled by CDSL for voting thereafter.



**ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, 27<sup>TH</sup> SEPTEMBER, 2019**













**PRATAAP SNACKS LIMITED**

(Formerly known as Prataap Snacks Private Limited)

Khasra No. 378/2, Nemawar Road,

Near Makrand House, Palda,

Indore – 452020 (M.P.)

Tel. +91 731 2439999

Email: [complianceofficer@yellowdiamond.in](mailto:complianceofficer@yellowdiamond.in)

Website: [www.yellowdiamond.in](http://www.yellowdiamond.in)