anjani foods

ANJANI FOODS LIMITED
"Anjani Vishnu Centre"
Plot No.7 & 8, Nagarjuna Hills,
Punjagutta, Hyderabad 500 082
Telangana

tel 040 4033 4848
fax 040 4033 4818

REGD. OFFICE
Vishnupur, B.V. Raju Marg,
Bhimavaram
W.G. District 534 202
Andhra Pradesh

CIN
L65910AP1983PLC004005

27.10.2018

To,

The Manager-Listing,

Department of Corporate Affairs,

The Bombay Stock Exchange Limited,

Floor-25, P.J.Towers,

Dalal Street, Mumbai-400 001

Sub- Disclosure under regulation 34(1) of SEBI LODR (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir,

We are enclosing here with a disclosure under Regulation 34(1) of SEBI SEBI LODR (Listing Obligations & Disclosure Requirements) Regulations, 2015, with respect to the submission of the Annual Report of 'Anjani Foods Limited' for the financial year 2017-18.

Kindly take the same on record.

Thanking you,

Yours faithfully

For Anjani Foods Limited

R.K. Pooja

R.K.Pooja

Compliance Officer

Board of Directors

Shri K.V.Vishnu Raju	Chairman
Shri R.Ravichandran	Wholetime Director
Shri P.V.R.L.Narasimha Raju	Director
Shri S.Ram Kumar	Director
Shri K.Hari Babu	Director
Smt.K.Anuradha	Director
Shri K.Aditya Vissam	Director
Shri P.Ranganath	Director
Shri B.Rajasekhar	CFO
Ms. R.K.Pooja	Company Secretary

34th Annual General Meeting

Date : 29^{th} September 2018

Time : 10.30 AM

Venue : Administrative Building, Dr. B.V.Raju Foundation, Vishnupur, Bhhimavaram, W.G.District

CIN : L65910AP1983PLC004005

Registered Office :
Vishnupur, Garagaparru Road,
Bhimavaram – 534 202
West Godavari District,
Andhra Pradesh

Corporate Office :
'Anjani Vishnu Centre'
Plot No 7 & 8, Nagarjuna Hills,
Panjagutta, Hyderabad-500 082

Auditors :
M. Anandam & Co.,
7 A, Surya Towers,
Sardar Patel Road
Secunderabad – 500 482.

Secretarial Auditors :
D. Hanumanta Raju & Co.
Company Secretaries,
B-13, F-1, P.S.Nagar,
Vijayanagar Colony,
Hyderabad - 500 057

Bankers : Indian Bank

Share Registrars and Transfer Agents :
M/s. Karvy Computershare Private Limited
Karvy Selenium Tower No. B,
Plot No. 31-32, Gachibowli,
Financial District Nanakramguda,
Hyderabad - 500 032.

CONTENTS

NOTICE

Notice is hereby be given that the 34th Annual General Meeting of the Members of the Company will be held on Saturday, the 29th September, 2018 at 10.30 A.M at Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District- 534202 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018, the Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the Schedules and Notes attached thereto, along with the Reports of Auditors and Directors thereon.

2. To appoint a Director in place of Mr. K.Aditya Vissam who retires by rotation and being eligible, offers himself for reappointment as Director.

For and on Behalf of the Board

Place: Hyderabad
Date: 31.08.2018

K.V.Vishnu Raju
Chairman

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy or proxies to attend and vote instead of himself/herself and such a proxy need not be a member of the company.

   The instrument of a proxy, to be effective, should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. A member holding more than 10% 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 a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of Board Resolution authorising their representative who attend and vote on their behalf at the meeting.

3. In case of joint holders attending the meeting, only such joint holders who is higher in the order of names will be entitled to vote.

4. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the registrars of the company, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032.

5. Members/Proxies are requested to bring attendance slip filled in for attending the meeting.

6. The company has notified that the register of members and share transfer books of the company will remain closed from September 23, 2018 to September 29, 2018 (both days inclusive).

7. Members who holds shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who holds shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in Dematerialised form may contact their respective Depository Participant(s) for recording nomination in respect of their shares.

8. Members desiring any information as regard accounts are requested to write to the company on or before September 22, 2018, to the attention of the Compliance Officer so as to enable the company to keep the information ready.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities holding shares in electronic form are, therefore, requested to submit their PAN to their Depository

   Participants with their maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the company/Karvy.

10. Members who holds shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send share certificates to Karvy, for consolidation into a single folio.

11. Electronic copy of annual report is being sent to all the members whose email Ids are registered with the company/ Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

12. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for receiving all communications including Annual Report, Notices, Circulars, etc. From the company electronically. Members holding the shares in physical forms may register their e-mail addresses through the Registrar & Transfer Agent, giving reference of their Folio Number.

13. Non- Resident Indian members are requested to inform Karvy about change in their residential status on return to India for permanent settlement.

14. **Voting through electronic means**

   Pursuant to the provision of Section 108 and other applicable provision, if any, of the companies Act, 2013 read with Rule 20 of the companies (Management and Administration) Rules, 2014 as amended and Clause 44(3) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the Members are provided with the facility to cast their Votes on resolution through e-voting services provided by Karvy Computershare Private Limited The e- voting period commence on Wednesday, September 26, 2018 (9.00 a.m. IST) and ends on Friday, September 28, 2018 (5.00 p.m. IST). During this period, **Members of the company, holding shares either in physical form or in dematerialized form, as on September 22, 2018, may cast their votes electronically.** The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.

The instructions for Electronic Voting are as under:

A. For members who receive notice of Annual General Meeting through e-mail:

i. Open the internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the Login credentials (i.e User ID and password). In case of physical folio, User ID will be **EVENT number** followed by folio number. In case of demat account, User ID will be your DP ID and client ID. However if you are already registerred with Karvy for e-voting you can use your existing user ID and password for casting your vote. If required, please visit https://evoting.karvy.com.or contact toll free number 1-800-3454-001 for your existing password.

iii. After entering these details appropriately, click on "LOGIN".

iv. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one uppercase (A-Z).one lower case (a-z), one numeric value (0-9) and a special character. Kindly notethat this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose "ABSTAIN". If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on specific item it will be treated as abstained.

x. After entering these details appropriately, click on "SUBMIT" tab.

xi. A Confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During voting period, Members can login any number of times till they have voted on resolution(s).

xii. Corporate/Institutional Members (corporate /Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no.

B. For members who receive the notice of AGM in physical form:

i. Members holding shares either in demat or physical mode who are in receipt of notice in physical form, may cast their votes using the ballot form enclosed to this notice. Please refer instruction given in the said form for details.

ii. Members may alternatively opt for E-Voting Event Number (EVEN), User ID and password is enclosed. Please follow steps from Sl.No(i) to (xii) under the heading A of Note no.14 above to vote through e-voting platform.

15. Voting Facility at AGM:

i. In addition to the remote e-voting facility as described above, the company shall make a voting facility available at the venue of the Meeting, through ballot form and members attending the meeting who have not already cast their votes by remote e-voting or ballot form as mentioned above shall be able to exercise their right at the meeting.

ii. Members who have cast their votes by remote e-voting or ballot form prior to the meeting may attend the meeting, but shall not be entitled to cast their vote again

General Instructions regarding voting:

16. Members can opt for only one mode of voting, i.e. either by Ballot Form or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.

17. Any person who becomes a member of the company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. September 22, 2018, may obtain the User ID and password in the manner as mentioned below :

    a) If e-mail address or mobile number of the member is registered against folio number/DP ID Client ID, then on home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter folio number folio number or DP ID Client ID and PAN to generate a password.

    b) Member may call karvy's toll free number 1-800-3454-001.

    c) Member may send an e-mail request to pooja.rk@freshchoice.in.

    If the member is already registered with karvy e-voting platform then he can use his existing user ID and password for casting the vote through remote e-voting

18. The voting rights of members shall be in proportion to their shares of paid up equity share capital of the company as on September 22, 2018. A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as on the cut off date only shall be entitle to avail the facility of remote e-voting or voting the meeting through ballot paper.

19. The Company has appointed M/s D. Hanumanta Raju & Co., Practising Company Secretaries, Hyderabad to act as the Scrutinizer to the e-voting process, and voting at the venue of Annual General Meeting in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.

20. The scrutinizer shall, immediately after the conclusion of voting at the General meeting, first count the votes cast at the meeting, thereafter un block the votes through e-voting in presence of at least two witnesses, not in employment of the company and make, not later than two days from the conclusion of meeting, the consolidated scrutinizer report of the total votes cast in favour or against, if any, and submit the same to the chairman of the company, who shall countersign the same.

21. The scrutinizer shall submit his report to the chairman, who shall declare the results of the voting. The results declared along with the scrutinizers report shall be placed on the company's website. And on website of karvy and shall also be communicated to the stock exchanges.

22. Subject to receipt of requisite number of votes, resolutions shall be deemed to be passed on the date of meeting i.e September 29, 2018.

23. In case a member is desirous of obtaining duplicate ballot form, such member may send an email to evoting@karvy.com by mentioning their folio/ DP ID and Client ID number.

DIRECTORS' REPORT

To

The Members,

ANJANI FOODS LIMITED,

Your Directors hereby presents the 34th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2018. The summarized financial results for the year ended 31st March, 2018 are as under:

FINANCIAL RESULTS

Amount in Lakhs

Particulars	**31-03-2018**	**31-03-2017**
Total income	2,068.46	2,317.94
Operating profit before interest, depreciation and tax		
Interest and financial charges	51.11	39.82
Depreciation	67.57	56.78
Profit before taxation	6.45	(78.43)
Provisions for taxation	(23.91)	6.10
Profit / (Loss) after taxation	(17.45)	(72.33)
Transfer to General Reserves	-	-
Provision for dividend	-	-
Provision for dividend tax	-	-
Other Comprehensive Income	(3.23)	-
Balance carried to Balance Sheet	(20.68)	(72.33)

REVIEW OF OPERATIONS:

During the period, the total income of the Company decreased to Rs. 2,068.46 lakhs as compared to Rs. 2,317.94 lakhs of the previous year. The net profit before tax for the period is Rs. 6.45 lakhs as compared to net loss of Rs. 78.43 lakhs of the previous year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors confirm that in the preparation of Profit & Loss Account for the year end and Balance Sheet as at that date ("Financial Statements") that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) 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.

DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013

1. State of affairs of the company:

The Company deals in the business of Food and Beverages segment. During the year, the Company's Income has decreased which is reflected in the financial results of the Company. The company is in the process of expanding its business and strengthening its retail presence by increasing the outlets.

2. Amounts, if any, they proposed to carry to any reserves:

In view of the loss, your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

3. Dividend:

In view of the loss, the Directors have not recommended any dividend for the year.

4. Deposits:

Your company has not accepted any public deposits as such; no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

5. Number of meetings of the Board:

Secretarial Standards as applicable have been complied with. Seven meetings of the board were held during the year as per the details given below:

S. No.	Date of Meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	29.05.2017	8	8	100
2.	16.06.2017	8	8	100
3.	13.09.2017	8	8	100
4	30.11.2017	8	8	100
5.	14.12.2017	8	8	100
6.	12.01.2018	8	8	100
7.	14.02.2018	8	8	100

6. Board Evaluation:

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors pursuant to the provisions of the Act

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

In a separate meeting of Independent Directors, performance of Non- Independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into accounts the views of Executive Directors and Non-Executive Directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of Board, its committee and individual directors was also discussed.

7. **Policy on Directors' appointment and remuneration and others details:**

The company's policy on Directors appointment and remuneration and other matters provided in section 178 of the Companies Act are as under:

NOMINATION AND REMUNERATRION POLICY OF ANJANI FOODS LIMITED

INTRODUCTION

The Remuneration Policy of Anjani Foods Limited (the "Company") is aligned with the compensation philosophy of its competitors which is to pay competitively and reward performance. To achieve this philosophy, total compensation is based on employee's role, market value of job and employees contributions.

This Policy is designed to attract, motivate, and retain talent by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and retirement benefits.

The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

This Remuneration Policy applies to Directors and senior management including its Key Managerial Personnel (KMP) of the Company.

1. DEFINITIONS

Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Committee" means Nomination and Remuneration Committee constituted by the Board

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

Chief Executive Officer or the Managing Director or Manager

Whole-time director;

Chief Financial Officer;

Company Secretary; and

such other officer as may be prescribed by the Companies Act, 2013.

"Executive Directors" mean Managing Director/ Jt. Managing Director and Whole Time Director, if any.

"Senior Management" means personnel of the company who are members of senior leadership typically vice presidents or equivalent and higher position levels.

2. **GUIDING PRINICIPLE**

The guiding principle is that the remuneration and the other terms of employmentshould effectively help in attracting and retaining talented employees.

While designing remuneration packages, industry`s best practices, cost of living andpotential of employees are also taken into consideration.

3. **POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

3.1. General:

a) The remuneration package of KMP will be determined by the Committee and recommended to Board for approval. In addition, the approval of the shareholders of the Company and Central Government, wherever required, will be obtained for the remuneration package of Executive Directors. The remuneration package of other senior management personnel will be recommended by Chairman & Managing Director and submitted to Committee for approval.

b) The remuneration package of Executive Directors shall be in accordance with the percentage / slabs / conditions laid down in the Act.

c) Increments to the existing remuneration package of Executive Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.

3.2. Where any insurance is taken by the Company on behalf of its Directors, Executive Directors, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to such personnel.

4. REMUNERATION TO EXECUTIVE DIRECTORS KMP AND SENIOR MANAGEMENT PERSONNEL:

4.1.1. Pay and Allowances:

The Executive Directors, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Committee or Board on the recommendation of the Committee. The remuneration comprises of basic pay and allowances in addition to perquisites such as contribution to Provident Fund, Gratuity, group life insurance, group medical insurance etc.

4.1.1.1. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

4.1.1.2. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

5. Remuneration to Independent Directors:

5.1. Remuneration/Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Act.

a) Sitting Fees:

Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount fixed by the Board from time to time.

b) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

c) Stock Options:

An Independent Director shall not be entitled to any stock options of the Company.

d) Expenses for attending meetings

The expenses incurred by the Independent Directors for attending the meetings of Board of Directors and Committees of the Board shall be reimbursed by the Company or alternatively the Company may provide air tickets, lodging facility and conveyance to the Independent Directors.

6. Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors, Whole time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements/ Annual Report as per statutory requirements.

7. Application of the Remuneration Policy

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel.

8. Performance evaluation criteria for Independent Directors:

The Board of Directors evaluates the performance of independent directors on yearly basis.

a. All pecuniary relationship or transactions of the non-executive directors

The Company has paid Rs. ____________/- as fees for attending Board meetings to Mr. __________ (Non-Executive-Independent Director) and Rs. __________/- to Mr. _______ during the financial year ended on March 31, 2018.

b. Disclosure with respect to remuneration:

No other element of remuneration package is paid to the Non-Executive Directors except payment of sitting fees to the
Independent Non Executive Director as disclosed above.

The Company did not issue any stock options during the year.

One meeting of the committee were held during the year on 30.11.2017 which was attended by all committee members.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 The Nomination & Remuneration Committee as on 31 March 2018, comprised following three (3) Non-Executive Directors:

S No.	Name	Positions held in the committee	Number of Meetings held	Number of meetings attended
1	P.V.R.L.Narasimha Raju	Chairman	1	1
2	S.Ram Kumar	Member	1	1
3	K.V.Vishnu Raju	Member	1	1

8. Directors:

There has been no change in the directorships held in the company during the year under review.

9. Internal Financial Control Systems and their Adequacy:

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis and which forms a part of this report.

10. Audit Committee:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 The Audit Committee as on 31 March 2018, comprised following three (3) Non-Executive Directors:

S No.	Name	Positions held in the committee	Number of Meetings held	Number of meetings attended
1	S. Ram Kumar	Chairman	5	5
2	P.V.R.L.Narasimha Raju	Member	5	5
3	K.V.Vishnu Raju	Member	5	5

The role of the Audit Committee flows directly from the Board of Director's overview function, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The term of reference of the Audit Committee broadly includes:-

i) acting as a catalyst, in helping the organization achieve its objectives

ii) The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems and risk management process, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct.

iii) The Audit Committee also reviews Management letters and the responses thereto by the Management. During the year under review.

iv) The Audit Committee held five (5) Meetings, the dates of the meetings being 29 May 2017, 13 September 2017, 30 November 2017, 14 December 2017 and 14 February, 2018.

The Chief Financial Officer, Internal Auditors, Statutory Auditors and other Executives as considered appropriate, also attended the Audit Committee Meetings. Internal Audit and Control: M/s. V.R.K.S.S.Prasad & Associates, Chartered Accountants, are the Internal Auditors of the Company and their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the Internal Auditor and the internal control system are periodically reviewed by the Audit Committee.

11. Stakeholders Relationship Committee:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 The Stakeholders Relationship Committee as on 31 March 2018, comprised following three (3) Directors:

S No.	Name	Positions held in the committee	Number of Meetings held	Number of meetings attended
1	S. Ram Kumar	Chairman	4	4
2	R.Ravichandran	Member	4	4
3	K.Hari Babu	Member	4	4

12. The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year:

The Company has not developed and implemented any Corporate Social Responsibility policy and initiatives, as the said provisions are not applicable.

13. A statement on declaration given by independent directors under Sub-Section (6) of Section 149:

The provisions of Section 149(6) relating to Independent Directors has been complied with.

14. Material changes and commitments, if, any, affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and date of the report.

The company received the Hon'ble NCLT Order dated 27.10.2017 from Hyderabad Bench on 16.12.2017 as regards the final approval of the Tribunal pursuant to the scheme of merger of its subsidiary company 'Sai Aditya Foods & Retail Private Limited' with itself. Following which, a Board meeting was conducted on 12.01.2018 to issue and allot 15,89,780 nos. of equity shares @ Rs. 10/- each to the members of Sai Aditya Foods ('Transferor Company). The financials for the year 2017-18 and for the previous year 2016-17 have been re drafted taking into account the merger of the company. The accounts have been finalised as per the "purchase method" of merger and also adopting the first time Ind AS applicable standards.

15. Risk Management:

The Board of the company regularly reviews and had adopted measures to frame, implement and monitor the risk management plan for the company. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risk indentified, if any, by the business functions are systematically addressed through mitigating actions on a continuing basis

16. Particulars of Loans, Guarantees or Investments Under Section 186 of the Companies Act, 2013:

There were no loans, guarantees made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

17. Particulars of contracts or arrangements made with related parties Under Section 188 of the Companies Act, 2013:

None of the transactions with related parties fall under the scope of section 188(1) of the act. Information on transaction with related parties pursuant to section 134(3) (h) of the act read with rule 8(2) of the companies (Accounts) Rules, 2014 are given in Annexure-1 in Form AOC-2 and the same forms part of this report.

18. The change in the nature of business, if any:

There was no change in the nature of Business.

19. The details of directors or key managerial personnel who were appointed or have resigned during the year:

During the period under review, no person was appointed as a director. There was no resignation of any director from the Board.

20. The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year:

During the year under review pursuant to the order of the Hon'ble National Company Law Tribunal subsidiary of the company i.e Sai Aditya Foods & Retail Private Limited was amalgamated with the company. However the company has no other joint ventures or associate companies during the year.

21. Highlights on performance of subsidiaries, associate and Joint Ventures and contribution to the overall performance of the Company during the period under review:

The company has got its subsidiary M/s. Sai Aditya Foods & Retail Private Limited merged with itself during the financial year. Hence, the highlights of its performance and contribution is already merged and mentioned in the attached financials.

22. Statement containing salient features of Financial Statement of Subsidiaries or Associate Companies or Joint Ventures:

Not Applicable.

23. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

24. Particulars of Employees:

The information required under section 197 of the act read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules 2014, are given below:.

a. The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year:

Non Executive Directors	Ratio to median remuneration
K.V.Vishnu Raju	Nil
P.V. R.L. Narasimha Raju	Nil
K.Hari Babu	Nil
S. Ramkumar	Nil
K. Anuradha	Nil
K. Aditya Vissam	Nil
P.Ranganath	**Nil**

Executive Directors	Ratio to median remuneration
Ravichandran Rajagopal	0.034:1

b. The percentage increase in remuneration of each Director, Chief Execututive Officer, Chief Financial Officer, Company Secretary in the financial year:

Director, Chief Financial Officer, Company Secretary	% of increase in remuneration in the financial year
Ravichandran Rajagopal - Whole Time Director	Nil
Raja Sekhar Bantupalli - Chief Financial Officer	Nil
R.K.Pooja - Company Secretary	Nil

c. Percentage increase in median remuneration of employees in the financial year : 10%

d. The number of permanent employees on the rolls of the company: 137

e. Average percentile increase already made in the salaries of emloyees other than the managerial personnel in the last financial year and its comparision with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	R.Ravichandran	R.K.Pooja
Remuneration in FY 17-18		
(Rs. Crores)	0.15	0.055
Revenue(Rs. Crores)	20.68	20.68
Remuneration as % of Revenue	0.72	0.27
Profit before tax (PBT) (Rs. Crores)	0.0645	0.0645
Remuneration (as % of PBT)	232.56	85.27

f. Affirmation that the remuneration is as per the remuneration policy of the company:

The Company affirms remuneration is as per the Remuneration policy of the company.

25. Disclosure as per Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has adopted a policy in compliance to the provision of Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under in order to curb sexual harassment, if any, at work place of the company.

There were no complaints received by the company during the year under review.

26. Disclosure Requirements:

As per Regulation 27(2) of SEBI (Listing obligations & Disclosure Requirement) Rules, 2015 which came into force on 01st December, 2015, the company is exempted to submit quarterly corporate governance reports in the BSE Listing Centre. Pursuant to section 177(9) of Companies Act, 2013 read with rule 7 of Companies (Meetings of Board and its Powers) Rules, the Board has adopted the Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transperant manner.

A Mechanism has been established which aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

27. Auditors:

Pursuant to the provision of section 139 of the act and the rules framed thereunder, the re-appointment of M/s. M. Anandam & Co., Chartered Accountants, Hyderabad (Firm Registration No. 000125S), appointed as Statutory Auditors from the conclusion of 33rd Annual General Meeting held on 28.12.2017 till the conclusion of 36th Annual General Meeting of the company to be held in the year 2020.

28. Secretarial Auditors' Report:

In pursuance of Section 204 of the Companies Act, 2013 Read with Rules made there under, the Board has appointed M/s D. Hanumanta Raju & Co. Practicing Company Secretaries as Secretarial Auditor of the company to carry out the Secretarial Audit for the financial year 2017-18 and the report of the secretarial auditor is annexed to this report

29. Clarifications on Auditors Comments in Auditors Report :

There were no comments or qualifications made by the statutory auditor during the year.

Explanations to the Qualifications made by Secretarial Auditor

Qualifications	Reply
As required under Regulation 31(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 hundred percent of the shareholding of promoters and promoters group is not in dematerialized form.	The Board of Directors of the company is discussing the matter with the promoters and has requested them to complete dematerialisation of their shareholding immediately.

30. Annual Return web link:

Pursuant to the provisions of Section 36 of the Companies (Amendment) Act, 2017 effective from July 31, 2018 read with Section 92(3) of the Companies Act 2013, the prescribed annual return is placed on the Company's website www.anjanifoods.in.

31. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as under.

A.	**Conservation of energy**	:	**Not Applicable**
B.	**Technology absorption**	:	**Not Applicable**
C.	**Foreign exchange earnings**	:	**NIL**
D.	**Foreign exchange outgo**	:	**NIL**

32. Maintenance of Cost Records:

Maintenance of cost records is not specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 to our company.

33. Acknowledgement:

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperationand support.

The Directors also thank the Government of India, the Concerned State Governments, Government departments and Governmental Agencies for their co-operation.

For and on behalf of Board of
Anjani Foods Limited

Place: Hyderabad
Date: 14.08.2018

R.Ravichandran
Whole time Director
(DIN 00110930)

K.V.Vishnu Raju
Chairman
(DIN 00480361)

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ANJANI FOODS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"ANJANI FOODS LIMITED"** (hereinafter called the company). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the period of audit)

(v) 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, 1992 & 2015

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the period of audit)

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the period of audit);

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit);

f) 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;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; (Not applicable to the Company during the period of audit); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit)

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) Other laws applicable specifically to the Company include:

a. Food Safety and Standard Act, 2006 and regulations made thereunder.

b. Legal Metrology Act 2009 and Legal Metrology (General) Rules, 2011

c. Legal Metrology Act 2009 read with Legal Metrology (Packaged Commodities) Rules, 2011

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(ii) The Listing Agreement entered into by the company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

As required under Regulation 31(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 hundred percent of the shareholding of promoters and promoters group is not in dematerialized form.

We 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. There are no changes in the composition of the Board of Directors during the period under review.Adequate notice is given to all directors in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

We further report that there are adequate systems and processes in the company to commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has received order from the Hon'ble National Company Law Tribunal approving the amalgamation of its subsidiary company i.e Sai Aditya Foods & Retail Private Limited with the company.

Place: Hyderabad
Date: 14/08/2018

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
ANJANI FOODS LIMITED

Our report of even Date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit

2. We have followed the audit practices 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 14/08/2018

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We submit hereunder Management Discussion and Analysis Report on the business of the company as applicable to the extent relevant. Your Company has explored its activities by taking up new activities like Bakery and retailing in order to meet competitive market situation.

OPPORTUNITIES, RISKS, CONCERNS THREATS & OUTLOOK:

Indian consumer with constantly expanding wallet and higher aspiration constitutes the largest opportunity for your Company. Second opportunity lies in the constant force of technology change. This provides your Company with opportunity to meet consumer needs differently from its competitors. Technology also gives us opportunity to improve efficiency and productivity. Growth of individual categories is linked to the overall economic growth. Primary risk to the business will be on account of adverse changes to the economy. Volatility in commodity prices is the other risk. Your Company is looking forward to meet the needs of changing economic scene in India and also to enhance the size and value of business activities of the company so that it will be able to achieve optimal return on capital employed.

INTERNAL CONTROL SYSTEMS & ADEQUACY:

Your Company's internal control systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable ?nancial information. The Board and Audit Committee regularly evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting.

FINANCIAL AND OPERATIONAL PERFORMANCE:

The sales and other income were Rs 2,068.46 Lakhs as against Rs 2,317.94 Lakhs in the previous year. The net profit/ (loss) for the year was Rs. (20.68) Lakhs against Rs. (72.33) Lakhs.

HUMAN RESOURCES, INDUSTRY DEVELOPMENT RELATIONS:

Your Company has laid high emphasis on driving an effective and transparent Performance Culture and an open mind-set. Your Company is committed to creating an environment of learning and development, promote internal talent and develop cross functional expertise. The human resource strategy is focused on creating a performance driven environment in the company, where innovations is encouraged, performance is recognized and employees are motivated to realize their potential.

SENIOR MANAGEMENT DISCLOSURES:

The Company's senior management makes disclosures to the Board relating to all material financial and commercial transactions as when they occur.

CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable\ securities laws and regulations and such forward-looking statements involve risks and uncertainties. Actual results could differ materially from those expressed or implied important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the Countries in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speaks only as of their dates.

For and on behalf of Board of
Anjani Foods Limited

Place: Hyderabad	R.Ravichandran	K.V.Vishnu Raju
Date: 14.08.2018	Whole time Director	Chairman
	(DIN 00110930)	(DIN 00480361)

INDEPENDENT AUDITORS' REPORT

To
The Members of Anjani Foods Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of Anjani Foods Limited("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these 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)prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its Loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated 29th May, 2017 and 25th May, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition date to Ind AS have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors as on 31st March,2018 taken on record by the board of directors, none of the directors is disqualified as on 31st March,2018 from being appointed as director in terms of section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 on its financial position in its Ind AS financial statements.

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

   iii) The Company has not transferred Rs. 0.67 Lakh, which were required to be transferred to the Investor Education and Protection Fund.

2. 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 B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For M.Anandam& Co.,
Chartered Accountants
(Firm's Registration No. 000125S)

Place: Hyderabad
Date: 30th May, 2018

K. Subbulakshmi
Partner
Membership No.205983

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph1 (f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Anjani Foods Limited ("the Company") as of 31stMarch 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch 2018, 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 M.Anandam & Co.
Chartered Accountants
(Firm's Registration No. 000125S)

Place: Hyderabad
Date: 30th May, 2018

K. Subbulakshmi
Partner

Membership No.205983

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable.

iv) In our opinion and according to the information and explanations given to us, the company has complied with section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security given.

v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.

vi) According to the information and explanations given to us, in respect of the Company, Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013.Accordingly, paragraph 3 (vi) of the Order is not applicable.

vii) According to the information and explanations given to us and the records of the company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales tax, custom duty, excise duty, Goods and Service Tax cess and other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, except the following.

Name of the Statute	Nature of Dues	Amount
Income Tax Act, 1961	Tax Deducted at Source	Rs. 1,10,124/-

(b) According to the information and explanations given to us, there are no dues of sales tax, Value added tax, Customs duty, Service Tax, Excise duty or cess, which have not been deposited on account of their being disputed by the company, as at 31st March,2018.

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, para 3(ix)of the Order is not applicable.

x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

xi) In our opinion and according to the information and explanations give to us the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of the Order is not applicable.

xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M.Anandam & Co.
Chartered Accountants
(Firm's Registration No. 000125S)

Place: Hyderabad
Date: 30th May, 2018

K. Subbulakshmi
Partner
Membership No.205983

anjani foods

BALANCE SHEET AS AT 31 MARCH 2018

All amounts in lakhs, unless otherwise stated

Particulars	Note	31 March 2018	31 March 2017	1 April 2016
I. ASSETS				
Non-current Assets				
(a) Property, plant and equipment	4.1	1,331.29	1,224.75	1,218.52
(b) Capital work-in-progress		78.75	78.75	-
(c) Intangible assets	4.2	1.11	-	-
(d) Goodwill	4.3	122.12	128.54	128.54
(e) Financial assets				
(i) Investments	5.1	0.50	0.50	0.50
(ii) Other financial assets	5.2	20.47	16.92	16.31
(f) Deferred tax Assets (net)	14	-	14.72	-
Current Assets				
(a) Inventories	6	306.26	242.48	222.85
(b) Financial assets				
(i) Trade receivables	7.1	67.51	33.86	18.80
(ii) Cash and cash equivalents	7.2	27.95	18.57	20.63
(iii) Other bank balances	7.3	0.66	0.67	0.67
(iv) Loans	7.4	10.94	12.91	11.15
(v) Other financial assets	7.5	20.61	11.98	6.29
(c) Current tax assets (net)	8	14.21	11.24	27.53
(d) Other current assets	9	33.33	15.98	11.60
TOTAL ASSETS		**2,035.71**	**1,811.87**	**1,683.39**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10	557.78	557.78	557.78
(b) Other equity	11	286.17	306.85	379.19
Liabilities				
Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	12.1	112.65	154.16	142.52
(ii) Other financial liabilities	12.2	0.62	0.62	0.62
(b) Provisions	13	84.57	58.25	58.71
(c) Deferred tax liabilities (net)	14	7.56	-	8.40
(d) Other non-current liabilities	15	453.36	244.82	105.94
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16.1	180.03	203.45	211.86
(ii) Trade payables	16.2	226.17	133.18	100.94
(iii) Other financial liabilities	16.3	115.77	135.38	71.88
(b) Other current liabilities	17	10.32	17.38	45.55
(c) Provisions	13	0.71	-	-
TOTAL EQUITY AND LIABILITIES		**2,035.71**	**1,811.87**	**1,683.39**

Summary of significant accounting policies 2

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

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number : 000125S

On behalf of Board of Directors

K. Subbulakshmi
Partner
Membership Number : 205983

K.V.Vishnu Raju
Chairman

R.Ravichandran
Whole Time Director

Place : Hyderabad
Date: 30.05.2018

B. Rajasekhar
Chief Financial Officer

R.K. Pooja
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

All amounts in lakhs, unless otherwise stated

Particulars		Note	31 March 2018	31 March 2017
I.	Revenue from operations	18	1,987.84	2,282.98
II.	Other income	19	80.62	34.97
III.	**Total revenue (I + II)**		**2,068.46**	**2,317.94**
IV.	**Expenses**			
	Cost of raw materials consumed	20	852.24	858.25
	Purchases of stock-in-trade		154.11	569.09
	Changes in inventories of finished goods and work-in-progress	21	(9.37)	6.01
	Employee benefits expense	22	445.70	399.84
	Finance costs	23	51.11	39.82
	Depreciation and amortization expense	24	67.57	56.78
	Other expenses	25	500.65	466.59
	Total expenses		**2,062.01**	**2,396.37**
V.	**Profit/(Loss) before tax (III - IV)**		**6.45**	**(78.43)**
VI.	**Tax expense:**			
	(1) Current tax		-	17.20
	(2) Deferred tax		23.91	(23.30)
VII.	**Profit/(Loss) for the year (V-VI)**		**(17.45)**	**(72.33)**
VIII.	**Other comprehensive income**			
	Items that will not be reclassified to statement of profit and loss			
	a) Remeasurement of defined employee benefit plans		(4.67)	-
	b) Income tax relating to item (a) above		1.44	-
	Other comprehensive income (net of tax)		**(3.23)**	**-**
IX.	**Total comprehensive Income/(Loss) for the year**		**(20.68)**	**(72.33)**
X.	**Earning per equity share**	32		
	(1) Basic		(0.37)	(1.30)
	(2) Diluted		(0.37)	(1.30)

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

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For M.Anandam & Co.,
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Firm Registration Number : 000125S

On behalf of Board of Directors

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Partner
Membership Number : 205983

K.V.Vishnu Raju
Chairman

R.Ravichandran
Whole Time Director

Place : Hyderabad
Date: 30.05.2018

B. Rajasekhar
Chief Financial Officer

R.K. Pooja
Company Secretary

Cash Flow Statement for the year ended March 31, 2018

All amounts in lakhs, unless otherwise stated

Particulars	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit/(Loss) before tax	6.45	(78.43)
Adjustments for:		
Depreciation and amortisation expense	67.57	56.78
Loss/(Gain) on disposal of property, plant and equipment	(23.73)	1.58
Interest income	(22.20)	(16.09)
Finance costs	51.11	39.82
Remeasurement of defined employee benefit plans	(4.67)	-
Change in operating assets and liabilities		
(Increase) in Trade Receivables	(33.65)	(15.06)
(Increase) in financial assets other than trade receivables	(10.21)	(8.07)
(Increase) in other assets	(17.35)	(4.38)
(Increase) / Decrease in Current Tax assets	(2.97)	16.29
(Increase) in Inventories	(63.78)	(19.63)
Increase in Trade payables	92.99	32.24
Increase in other financial liabilities	(19.78)	63.68
Increase in other non-current liabilities	208.54	138.88
Increase / (Decrease) in provisions	27.03	(17.65)
(Decrease) in other liabilities	(7.06)	(28.16)
Cash generated from operations	**248.29**	**161.79**
Direct taxes paid	-	-
Net cash generated from operating activities	**248.29**	**161.79**
Cash flows from investing activities		
Purchase of property plant and equipment	(179.93)	(71.28)
(Increase) / Decrease in Capital Work in Progress	(78.75)	
Interest received	22.20	16.09
Proceeds from sale of property, plant and equipment	34.86	6.70
Net cash used in investing activities	**(122.87)**	**(127.25)**
Cash flow from financing activities		
Proceeds from non-current borrowings	-	11.64
Repayment of non-current borrowings	(41.52)	-
Proceeds/ (repayment) from current borrowings	(23.42)	(8.42)
Finance cost	(51.11)	(39.82)
Net cash used in financing activities	**(116.05)**	**(36.60)**
Net increase / (Decrease) in cash and cash equivalents	**9.38**	**(2.06)**
Cash and Cash equivalents at the beginning of the Year	**18.57**	**20.63**
Cash and Cash equivalents at the end of the Year	**27.95**	**18.57**

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

Summary of significant accounting policies 2

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

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number : 000125S

On behalf of Board of Directors

K. Subbulakshmi
Partner
Membership Number : 205983

K.V.Vishnu Raju
Chairman

R.Ravichandran
Whole Time Director

Place : Hyderabad
Date: 30.05.2018

B. Rajasekhar
Chief Financial Officer

R.K. Pooja
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

All amounts in lakhs, unless otherwise stated

a. Equity share capital

Particulars	Note	31 March 2018
Balance at April 1, 2016 (Opening)	10	**400.00**
Add: Issue of share capital on account of amalgamation		158.98
Balance at April 1, 2016 (Closing)		**558.98**
Movement during the year		-
Balance at March 31, 2017		**558.98**
Movement during the year		-
Balance at March 31, 2018		**558.98**

b. Other equity

Particulars	Note	Reserves and Surplus			Total
		Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2016 (Opening)	11	**-**	**69.30**	**294.18**	**363.49**
Add: Reserves on account of amalgamation		78.38	-	18.10	96.48
Less: Remeasurement of employee benefits		-	-	57.68	57.68
Less: Security premium cancelled on account of amalgamation		56.25	-	-	56.25
Add: Deferred tax asset on Ind AS adjustments		-	-	33.15	33.15
Balance as at 1 April 2016 (Closing)		**22.13**	**69.30**	**287.76**	**379.19**
Profit/(Loss) for the year		-	-	(72.33)	(72.33)
Other comprehensive income		-	-	-	-
Balance as at 31 March 2017		**22.13**	**69.30**	**215.43**	**306.85**
Profit/(Loss) for the year		-	-	(17.45)	(17.45)
Other comprehensive income		-	-	(3.23)	(3.23)
Balance as at 31 March 2018		**22.13**	**69.30**	**194.75**	**286.17**

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number : 000125S

On behalf of Board of Directors

K. Subbulakshmi
Partner
Membership Number : 205983

K.V.Vishnu Raju
Chairman

R.Ravichandran
Whole Time Director

Place : Hyderabad
Date: 30.05.2018

B. Rajasekhar
Chief Financial Officer

R.K. Pooja
Company Secretary

Notes to the financial statements for the year ended 31 March 2018

1. Company Information

Anjani Foods Limited was incorporated in 25.06.1983 having registered office in Bhimavaram, West Godavari District, Andhra Pradesh. The Company is listed on the Bombay Stock Exchange (BSE). The Company is into the business of Production and Sale of Bakery Products.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of Indi (SEBI), as applicable.The financial statements for the yer ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an Opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31,2017 are also in compliance with Ind AS. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note - 34The transition to Ind AS has resulted in changes in the presentation of the Financial Statements, disclosures in the notes thereto and accounting policies and principles.The Financial Statements of the Company as at and for the year ended 31st March,2018 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 30.05.2018.

b) Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. 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.

c) Business Combination and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016.(Refer Note 34).

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets and liabilities of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair value. 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.

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount recognised for any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units that are expected to benefit from the synergies of 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 directly in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

d) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

e) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

a) Sale of products

Timing of recognition- Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale.Measurement of revenue- Revenue from sales is based on the price specified in the sales, net of all discounts and returns at the time of sale.

b) Dividend income is recognized when right to receive payment is established

c) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

g) Income tax

Current income tax

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 in 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 tax

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.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 utilized.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 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.

h) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

(i) Financial assets carried at amortised cost

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

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

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

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

Financial liabilites

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

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may or may not be realized.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

j) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

l) Inventories

Raw materials, finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m) Property, plant and equipment

Freehold land is carried at historical cost. Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, 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 separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.Gains or losses on disposal are determined by comparing proceeds with carrying amount.

n) Intangible assets

(i) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

(ii) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life. Computer Software is amortised over a period of five years and Goodwill arised on account of merger is amortised over a period of twenty years.

o) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

p) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

q) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.Other borrowings costs are expensed in the period in which they are incurred.

r) Provisions, Contingent liabilities and Contingent assets

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent Liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which willl be confirmed only by the occurrence or non-occurence of one or more uncertain future events not wholly within the control of the Company.

Contingenet assets are not recognized in financial statements since this may result in the recognition of income thay may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent assets and is recognised.

s) Employee benefits

(i) Short-term obligations Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(iii) Post-employment obligationsThe Company operates the following post-employment schemes:(a) Defined benefit plans such as gratuity; and(b) Defined contribution plan such as provident fund

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

t) Contributed equity

Equity shares are classified as equity.Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

u) Earning per share The basic earnings per share is computed by dividing the profit/(loss) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, profit/(loss) for the year attributable to the equity shareholders and the weighted average number of the equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

w) Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below.

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that revenue should be recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on April1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

Ind AS 21, Foreign currency transactions and advance consideration:

On March28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

3. Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

All amounts in lakhs, unless otherwise stated

4.1(a) Property, Plant and Equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals /Adjustements	As at 31 March 2018	As at 31 March 2018
Owned Assets									
Land	482.95	-	11.13	-	-	-	-	471.82	
Factory Building	280.22	-	-	280.22	9.85	10.11	-	19.96	260.25
Non Factory Buildings	93.93	65.89	-	159.83	1.72	2.16	-	3.89	155.94
Machinery Equipment	315.62	98.11	-	413.73	21.31	24.95	-	46.26	367.47
Furniture and Fixtures	63.70	7.03	-	70.73	13.34	12.74	-	26.08	44.65
Motor Vehicles	20.33	0.55	-	20.88	3.29	3.68	-	6.97	13.91
Computers	13.47	2.23	-	15.70	1.18	4.39	-	5.57	10.13
Office Equipment	9.99	4.93	-	14.93	4.76	3.04	-	7.80	7.13
TOTAL	**1,280.21**	**178.75**	**11.13**	**1,447.82**	**55.46**	**61.07**	**-**	**116.53**	**1,331.29**

4.1(b) Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	Deemed cost As at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the Year	On disposals /Adjustements	As at 31 March 2017	As at 31 March 2017
Owned Assets									
Land	482.95	-	-	482.95	-	-	-	-	482.95
Factory Building	267.33	12.89	-	280.22	-	9.85	-	9.85	270.37
Non - Factory Buiding	93.93	-	-	93.93	-	1.72	-	1.72	92.21
Machinery Equipment	278.20	37.41	-	315.62	-	21.31	-	21.31	294.30
Furniture and Fixtures	63.14	0.56	-	63.70	-	13.34	-	13.34	50.36
Vehicles	24.12	5.80	9.60	20.33	-	4.61	1.32	3.29	17.04
Office Equipment	0.01	13.46	-	13.47	-	1.18	-	1.18	12.29
Computers	8.83	1.16	-	9.99	-	4.76	-	4.76	5.24
TOTAL	**1,218.52**	**71.28**	**9.60**	**1,280.21**	**-**	**56.78**	**1.32**	**55.46**	**1,224.75**

4.2 (a) Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	As at 31 March 2018	As at 31 March 2018
Computer Software	-	1.18	-	1.18	-	0.07	-	0.07	1.11
TOTAL	**-**	**1.18**	**-**	**1.18**	**-**	**0.07**	**-**	**0.07**	**1.11**

4.3(a) Goodwill

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	For the Year	On disposals	As at 31 March 2018	As at 31 March 2018
Goodwill on account of Amalgamation	128.54	-	-	128.54	-	6.43	-	6.43	122.12
TOTAL	**128.54**	**-**	**-**	**128.54**	**-**	**6.43**	**-**	**6.43**	**122.12**

4.3(b) Goodwill

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the Year	On disposals	As at 31 March 2017	As at 31 March 2017
Goodwill on account of Amalgamation	128.54	-		128.54	-	-	-	-	128.54
TOTAL	**128.54**	**-**	**-**	**128.54**	**-**	**-**	**-**	**-**	**128.54**

Note :

1) Goodwill on account of amalgamation has arisen on account of amalgamation of Sai Adithya Foods and Retail Private Limited w.e.f 01.04.2016.

All amounts in lakhs, unless otherwise stated

5.1. Investments

Particulars	31 March 2018	31 March 2017	1 April 2016
Investments in Equity Instruments (quoted - traded - fully paid up)			
Fair value through profit and loss (FVTPL)			
M/s. Regency Ceramics Limited	-	-	-
100 (Previous Year 100) equity shares of Rs.10/- each (Fully Impaired)			
Investments in Equity Instruments (quoted - non traded - fully paid up)			
M/s. Andhra Pradesh Steels Limited			
10,200 (Previous Year 10,200) equity shares of Rs.10/- each (Fully Impaired)			
M/s. Sparteck Ceramics Limited	-	-	-
50 (Previous Year 50) equity shares of Rs.10/- each (Fully Impaired)			
Investments in Mutual Funds (quoted - non traded - fully paid up)			
Fair value through profit and loss (FVTPL)			
- In Morgan Stanely	0.50	0.50	0.50
5000 (Previous Year 5000) units of Rs.10/- each			
TOTAL	**0.50**	**0.50**	**0.50**
Aggregate amount of quoted investments	1.54	1.54	1.54
Aggregate market value of quoted investments	0.58	0.58	0.58
Aggregate amount of impairment of investments	1.08	1.08	1.08

5.2. Other financial assets (non - current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Security Deposits	20.47	16.92	16.31
TOTAL	**20.47**	**16.92**	**16.31**

6. Inventories

Particulars	31 March 2018	31 March 2017	1 April 2016
a) Raw material	176.24	121.83	96.18
b) Finished goods	130.02	120.65	126.67
TOTAL	**306.26**	**242.48**	**222.85**

7.1. Trade receivables

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good	67.51	33.86	18.80
TOTAL	**67.51**	**33.86**	**18.80**

7.2. Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
a) Balances with banks in current accounts	22.35	12.99	16.99
b) Cash on hand	5.60	5.58	3.64
TOTAL	**27.95**	**18.57**	**20.63**

7.3. Other bank balances

Particulars	31 March 2018	31 March 2017	1 April 2016
Earmarked balances with banks			
In Dividend Accounts	0.66	0.67	0.67
TOTAL	**0.66**	**0.67**	**0.67**

7.4. Loans (current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Inter-corporate deposits*	10.94	12.91	11.15
TOTAL	**10.94**	**12.91**	**11.15**

*The Company has given an inter corporate deposit to Jugular Social Media Private Limited.

7.5. Other financial assets (current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Employee advances	14.74	8.62	5.63
Rent Receivables	5.87	3.36	0.66
TOTAL	**20.61**	**11.98**	**6.29**

8. Current tax assets (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance Tax net of provision	14.21	11.24	27.53
TOTAL	**14.21**	**11.24**	**27.53**

9. Other current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Rent and Other deposits	9.14	11.53	9.52
Prepaid expenses	1.24	0.47	-
Other Advances and receivables	21.15	3.98	2.08
Cenvat, VAT and GST credit available	1.79	-	-
TOTAL	**33.33**	**15.98**	**11.60**

10. Equity share capital

Particulars	31 March 2018	31 March 2017	1 April 2016
AUTHORIZED :			
80,00,000 (2017 - 80,00,000, 2016 - 80,00,000) equity shares of 10/- each fully paid up	800.00	800.00	800.00
TOTAL	**800.00**	**800.00**	**800.00**
ISSUED, SUBSCRIBED & PAID-UP CAPITAL			
55,89,780 (2017- 55,89,780, 2016 - 55,89,780) equity shares of 10/- each fully paid up	558.98	558.98	558.98
Less: Calls in Arrears	1.20	1.20	1.20
TOTAL	**557.78**	**557.78**	**557.78**

(A) Movement in equity share capital:

Particulars	Number of shares	31 March 2018
Balance at April 1, 2016 (Opening)	4,000,000	400.00
Add: Issued on account of amalgamation	1,589,780	158.98
Balance at April 1, 2016 (Closing)	**5,589,780**	**558.98**
Movement during the year	-	-
Balance at March 31, 2017	**5,589,780**	**558.98**
Movement during the year	-	-
Balance at March 31, 2018	**5,589,780**	**558.98**

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

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
K.V. Vishnu Raju	2,437,900	43.61	2,437,900	43.61	2,437,900	43.61
K. Anuradha	452,420	8.09	452,420	8.09	452,420	8.09

(C) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders 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.

(D) On account of Amalgamation of Sai Adithya Foods Private Limited with the Company, the Company has issued shares of Rs. 1,58,97,800 to Shareholders of erstwhile Sai Aditya Foods Private Limited as per Scheme of Amalgamation.

11. Other equity

Particulars	31 March 2018	31 March 2017	1 April 2016
Reserves and surplus			
Securities premium reserve	22.13	22.13	22.13
General reserve	69.30	69.30	69.30
Retained earnings	194.74	215.43	287.76
TOTAL	**286.17**	**306.85**	**379.19**

(i) Securities Premium Reserve

Particulars	31 March 2018	31 March 2017
Opening balance	22.13	22.13
Movement during the year	-	-
Closing balance	**22.13**	**22.13**

(ii) General Reserve

Particulars	31 March 2018	31 March 2017
Opening balance	69.30	69.30
Movement during the year	-	-
Closing balance	**69.30**	**69.30**

(iii) Retained earnings

Particulars	31 March 2018	31 March 2017
Opening balance	215.43	287.76
Profit/(Loss) for the year	(17.45)	(72.33)
Items of other comprehensive income recognised directly in retained earnings		
-Remeasurements of defined employee benefit plans (net of tax)	(3.23)	-
Closing balance	**194.74**	**215.43**

Nature and purpose of other reserves

(i) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the act.

(ii) General Reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

12.1. Borrowings

Particulars	31 March 2018	31 March 2017	1 April 2016
Non- current			
a) Secured loans			
Term loans from banks	-	48.99	106.85
b) Unsecured loans			
Unsecured Loans from related parties	26.00	26.00	12.00
Unsecured Loans from Others	86.65	79.17	23.67
TOTAL	**112.65**	**154.16**	**142.52**

12.2. Other financial liabilities (non-current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Unpaid Dividend	0.62	0.62	0.62
TOTAL	**0.62**	**0.62**	**0.62**

13. Provisions

Particulars	31 March 2018	31 March 2017	1 April 2016
Non - Current			
Provision for employee benefits			
- Leave encashment	2.12	-	-
- Gratuity	82.44	58.25	58.71
TOTAL	**84.57**	**58.25**	**58.71**
Current			
- Leave encashment	0.41	-	-
- Gratuity	0.31	-	-
TOTAL	**0.71**	**-**	**-**

14. Deferred tax liabilities (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets	-	14.72	-
Deferred tax liabilities	7.56	-	8.40
Deferred tax liabilities (net)	**7.56**	**14.72**	**8.40**

Movement in deferred tax liabilities (net)

Particulars	WDV of depreciable PPE	Expenses allowable on payment basis	Total
As at 01 April, 2016	8.40	-	8.40
(Charged)/ Credited			
to statement of profit and loss	7.75	(30.87)	(23.12)
As at 31 March, 2017	**16.15**	**(30.87)**	**(14.72)**
(Charged)/ Credited			
to statement of profit and loss	20.81	1.48	22.29
As at 31 March, 2018	**36.96**	**(29.39)**	**7.56**

15. Other non-current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance Received against sale of assets	453.36	244.82	105.94
TOTAL	**453.36**	**244.82**	**105.94**

16.1. Borrowings

Particulars	31 March 2018	31 March 2017	1 April 2016
Current			
Loans repayable on demand			
a) Secured loans			
Working capital loans from banks	180.03	182.38	184.03
b) Unsecured loans			
Loans from related parties	-	21.07	27.83
TOTAL	**180.03**	**203.45**	**211.86**

The company has taken working capital loans from Indian Bank. The loans are repayable on demand which are secured on pari-passu basis by hypothecation of the Company's raw materials, finished goods and book debts, present and future and second charge by way of hypothecation on factory land and building and Personal Guarantee of Directors. The loan carries floating rate of interest and interest rate as on 31.03.2018 is 12%.

16.2. Trade payables

Particulars	31 March 2018	31 March 2017	1 April 2016
Dues to micro enterprises and small enterprises (Refer Note below)	-	-	-
Dues to creditors other than micro enterprises and small enterprises	226.17	133.18	100.94
TOTAL	**226.17**	**133.18**	**100.94**

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

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

16.3. Other financial liabilities (current)

Particulars	31 March 2018	31 March 2017	1 April 2016
Expenses payable	105.56	98.05	68.14
Sundry deposits*	1.00	-	-
Capital Creditors	3.15	37.33	3.74
TOTAL	**115.77**	**135.38**	**71.88**

*Sundry deposits include security deposits from Distribution agents.

17. Other current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Advances from customers	-	-	39.95
Statutory liabilities	7.53	14.59	5.60
Rental Advance	2.79	2.79	-
TOTAL	**10.32**	**17.38**	**45.55**

All amounts in lakhs, unless otherwise stated

18. Revenue from operations

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products	1,974.37	2,282.98
Other Operating Revenue		
Sale of scrap	13.47	-
TOTAL	**1,987.84**	**2,282.98**

19. Other income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income	22.20	16.09
Insurance claim	0.11	-
Net gain on sale of property, plant and equipment	23.73	-
Rental Income	9.07	3.11
Display Charges	-	3.20
Miscellaneous income	25.51	12.57
TOTAL	**80.62**	**34.97**

20. Cost of raw materials consumed

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening Stock	121.82	96.19
Add: Purchases	906.66	883.89
Less: Closing Stock	176.24	121.83
TOTAL	**852.24**	**858.25**

21. Changes in inventories of finished goods and work in progress

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening inventories		
Finished goods	120.65	126.67
(A)	**120.65**	**126.67**
Closing inventories		
Finished goods	130.02	120.66
(B)	**130.02**	**120.66**
TOTAL (A-B)	**(9.37)**	**6.01**

22. Employee benefits expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages	345.63	351.28
Contribution to provident and other funds	27.52	23.46
Gratuity	20.01	-
Leave encashment	2.53	-
Staff welfare expenses	38.01	13.10
Director's Remuneration	12.00	12.00
TOTAL	**445.70**	**399.84**

23. **Finance cost**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest on short term borrowings	20.41	23.99
Interest on long term borrowings	29.16	15.83
Other borrowing cost	1.54	-
TOTAL	**51.11**	**39.82**

24. **Depreciation and amortization expense**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	61.07	56.78
Amortisation of intangible assets	0.07	-
Amortisation of Goodwill	6.43	-
TOTAL	**67.57**	**56.78**

25. **Other expenses**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Power and fuel	144.08	77.65
Repairs and maintenance		
Buildings	6.74	18.93
Plant and machinery	19.63	87.06
Vehicles	35.90	32.08
Others	14.24	7.76
Insurance	1.76	6.99
Vehicle Hire Charges	20.15	1.91
Security and House keeping	32.26	22.97
Research & Development Expenses	0.91	0.27
Rent, Rates & taxes	52.94	84.53
Licence, Fees	5.83	4.62
Telephone, Postage	12.75	2.16
Printing and Stationery Expenses	5.75	6.34
Professional Charges	10.89	22.11
Wages - contract labour	44.70	-
Travelling and conveyance	31.85	50.39
Commission	0.82	-
Freight0.37	-	
Advertisement and sales promotion expenses	30.09	28.52
Payments to auditors (refer note 25.a)	2.69	1.90
Interest on TDS	7.98	0.05
Loss on sale of property, plant and eqiupment (net)	-	1.58
Bank Charges	1.34	2.17
Miscellaneous expenses	16.98	6.60
TOTAL	**500.65**	**466.59**

25. **a**

To statutory auditors		
-Statutory audit fee	1.00	1.00
-Tax audit fee	0.30	0.30
-For other services (including fees for quarterly audits)	0.95	0.35
-Reimbursement of expenses	0.44	0.25
TOTAL	**2.69**	**1.90**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Note - 26

All amounts in lakhs, unless otherwise stated

(i) Leave obligations

The leave obligation covers the Company's liability for earned leave which is unfunded.

(ii) Defined contribution plans

The Company has defined contribution plans namely Provident fund. Contributions are made to provident fund at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contributions plan is as follows:

Particulars	31 March 2018	31 March 2017
Company's Contribution to Provident Fund	21.17	17.56

(ii) Post- employment obligations

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company operates post retirement gratuity plan with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave encashment is recognised in the same manner as gratuity.

The following table sets out the amounts recognised in the financial statements in respect of gratuity plan

Particulars	March 31, 2018	March 31, 2017
Change in defined benefit obligations :		
Obligation at the beginning of the year	58.25	58.71
Current service costs	7.15	-
Past service cost	7.56	-
Interest costs	5.30	-
Remeasurement (gains)/losses	4.67	(0.45)
Benefits paid	0.19	-
Obligation at the end of the year	**82.75**	**58.25**
Change in plan assets :		
Fair value of plan assets at the beginning of the year	3.33	3.33
Interest income	-	-
Remeasurement (gains)/losses	-	-
Employer's contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	**3.33**	**3.33**
Expenses recognised in the statement of profit and loss consists of :		
Employee benefits expense :		
Current service costs	7.15	-
Past service cost	7.56	-
Net interest expenses	5.30	-
	20.01	**-**
Other comprehensive (income)/loss :	-	
(Gain)/Loss on Plan assets	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	-
Actuarial (gain)/loss arising from changes in experience adjustments	4.67	-
	4.67	-
Expenses recognised in the statement of profit and loss	**24.68**	**-**

Amounts recognised in the balance sheet consists of	March 31, 2018	March 31, 2017	April 1, 2016
Fair value of plan assets at the end of the year	3.33	3.33	-
Present value of obligation at the end of the year	82.75	58.25	58.71
Recognised as			
Retirement benefit liability - Non-current	82.44	58.25	58.71
Retirement benefit liability - current	0.31	-	-

Fair value of plan assets - 100% with LIC of India

iv) Significant estimates and sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in key assumptions is:

Particulars	Key assumptions	Defined benefit obligation			
		Increase in assumption by		Decrease in assumption by	
	31 March 2018	Rate	31 March 2018	Rate	31 March 2018
Discount rate	8.00%	1%	(5.49)	1%	13.82
Salary growth rate	6 to 10%	1%	13.00	1%	(5.23)
Attrition rate	5.00%	1%	2.05	1%	4.79

The above sensitivity analysis is based on a change in each assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

v) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

All amounts in lakhs, unless otherwise stated

27. Financial instruments and risk management

Fair values

The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.

The fair value of 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.

Set out below, is a comparision by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	Level	31 March 2018		31 March 2017		01 April 2016	
		Carrying amount	Fair value*	Carrying amount	Fair value*	Carrying amount	Fair value*
Financial assets measured at amortised cost							
Non-current							
Investments	1	0.50	0.50	0.50	0.50	0.50	0.50
Other financial assets	3	20.47	20.47	16.92	16.92	16.31	16.31
Current							
Trade receivables	3	67.51	67.51	33.86	33.86	18.80	18.80
Cash and Cash Equivalents	3	27.95	27.95	18.57	18.57	20.63	20.63
Other bank balances	3	0.66	0.66	0.67	0.67	0.67	0.67
Loans	3	10.94	10.94	12.91	12.91	11.15	11.15
Other financial assets	3	20.61	20.61	11.98	11.98	6.29	6.29
Total		**148.14**	**148.14**	**94.92**	**94.92**	**73.84**	**73.84**
Financial liabilities							
Measured at amortised cost							
Non-current							
Borrowings	3	112.65	112.65	154.16	154.16	142.52	142.52
Other financial liabilities	3	0.62	0.62	0.62	0.62	0.62	0.62
Current							
Borrowings	3	180.03	180.03	203.45	203.45	211.86	211.86
Trade Payables	3	226.17	226.17	133.18	133.18	100.94	100.94
Other Financial Liabilities	3	115.77	115.77	135.38	135.38	71.88	71.88
Total		**635.23**	**635.23**	**626.79**	**626.79**	**527.83**	**527.83**

*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Company has assessed the fair value to be the Realisable Value.

28. Financial risk management

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables.

(i) Foreign currency exchange rate 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 operating activities(when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is Nil as on Balance Sheet date.

(ii) 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 change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax		Increase/(decrease) in other components of equity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Change in interest rate				
increase by 1%	(1.70)	(2.00)	(1.70)	(2.00)
decrease by 1%	1.70	2.00	1.70	2.00

The assumed increase/(decrease) in interest rate for sensitivity analysis is based on the currently observable market environment.

(B) Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances and bank deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

i. Credit risk on cash and cash equivalents and other bank balances is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.

ii. Credit risk on trade receivables and other financial assets is evaluated as follows:

(i) Expected credit loss for trade receivable under simplified approach:

Particulars	31 March 2018	31 March 2017	01 April 2016
Gross carrying amount	67.51	33.86	18.80
Expected credit losses (Loss allowance provision)	-	-	-
Carrying amount of trade receivables	**67.51**	**33.86**	**18.80**

Expected credit loss for financial assets where general model is applied

The financial assets which are exposed to credit are loans, employee advances and advance against share application money.

Particulars	31 March 2018	31 March 2017	1 April 2016
Asset group	**Estimated gross carrying amount at default**	**Estimated gross carrying amount at default**	**Estimated gross carrying amount at default**
Gross carrying amount			
Loans	10.94	12.91	11.15
Employee advances	14.74	8.62	5.63
	25.69	**21.53**	**16.77**
Expected credit losses	-	-	-
Net carrying amount			
Loans	10.94	12.91	11.15
Employee advances	14.74	8.62	5.63
Total	**25.69**	**21.53**	**16.77**

(ii) Reconciliation of loss allowance provision

Particulars	Trade receivables
Loss allowance as at 1 April 2016	**-**
Changes in loss allowance during the period of 2016-17	-
Loss allowance as at 31 March 2017	**-**
Changes in loss allowance during the period of 2017-18	-
Loss allowance as at 31 March 2018	**-**

(iii) Significant estimates and judgements

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements: The company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at		
	31 March 2018	31 March 2017	01 April 2016
Expiring within one year (bank overdraft and other facilities)	-	-	-

(ii) Maturities of Financial liabilities

Contractual maturities of financial liabilities as at :

Particulars	31 March 2018		31 March 2017		01 April 2016	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	180.03	112.65	203.45	154.16	211.86	142.52
Trade Payables	226.17	-	133.18	-	100.94	-
Other Financial Liabilities	115.77	0.62	135.38	0.62	71.88	0.62
Total	**521.97**	**113.26**	**472.01**	**154.78**	**384.69**	**143.14**

(iii) Management expects finance cost to be incurred for the year ending 31 March 2019 is Rs. 56.21 Lakhs.

29. Capital management

A. Capital management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	31 March 2018	31 March 2017	01 April 2016
Borrowings			
Current	180.03	203.45	211.86
Non current	112.65	154.16	142.52
Debt	**292.67**	**357.61**	**354.38**
Equity			
Equity share capital	557.78	557.78	557.78
Other equity	286.17	306.85	379.19
Total capital	**843.95**	**864.63**	**936.97**
Gearing ratio in % (Debt/ capital)	**35%**	**41%**	**38%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018 and 31 March 2017.

All amounts in lakhs, unless otherwise stated

30. Contingent liabilities & Commitments - Nil (P.Y - Nil)

31. Related party transactions

Names of related parties and nature of relationships:

Names of the related parties	Nature of relationship
i) Key Managerial Personnel (KMP):	
Ravichandran Rajagopal	Whole Time Director
Kalidindi Venkata Ramasita Anuradha	Director
Kalidindi Venkata Vishnu Raju	Chairman
Penmetsa Venkata Ramalakshmi Narasimha Raju	Director
Hari Babu Kolluri	Director
Parankusam Srinivas Ranganath	Director
Ramkumar Srinivasan	Director
Kalidindi Aditya Vissam	Director
Rajasekhar Bantupalli	Chief Financial Officer
Pooja Raja Kakarlapudi	Company Secretary
ii) Enterprises in which key management personnel and/or their relatives have control:	
Sri Vishnu Educational Society	

Details of transactions during the year where related party relationship existed:

Names of the related parties	Nature of Transactions	Year ended 31 March 2018	Year ended 31 March 2017
Kalidindi Aditya Vissam	Remuneration	7.00	12.00
Kalidindi Narasimha Raju	Remuneration	12.00	12.00
Sri Vishnu Educational Society	Unsecured Loan Repaid	21.07	6.75
Kalidindi Venkata Vishnu Raju	Unsecured Loan Taken	-	14.00

Details of outstanding balances as at the year end where related party relationship existed:

Names of the related parties	Nature of Balance	31 March 2018	31 March 2017	1 April 2016
Sri Vishnu Educational Society	Unsecured Loan Taken	-	21.07	27.82
Kalidindi Venkata Vishnu Raju	Unsecured Loan Taken	24.00	24.00	10.00
Rajasekhar Bantupalli	Unsecured Loan Taken	2.00	2.00	2.00

32. Earnings per share (EPS)

Particulars	31 March 2018	31 March 2017
Profit / (Loss)after tax	(20.68)	(72.33)
Weighted average number of equity shares in calculating Basic and Diluted EPS (in Numbers)	55,778,201	55,778,201
Face value per share	10	10
Basic and Diluted Earnings per Share (EPS)	(0.37)	(1.30)

33. Segment Information

a) The company's Director and Chief Financial officer examine the Company's performance from a product prospective and have identified one operating segment viz Production and sale of bakery products. Hence segment reporting is not given.

b) Information about products:

Revenue from external customers - Sale of Bakery Products Rs.1987.84 Lakhs

34. Businee Combinations

Pursuant to the sanction of the scheme of amalgamation by National Company Law Tribunal, Hyderabad, the assets and liabilities of the erstwhile Sai Aditya Foods and Retail Private Limited whose principal business was of carrying on the business of Production and sale of Bakery Products has been merged with the Company with effect from the appointed date of 1st April, 2016. The effect of the amalgamation has been given in the accounts as per the scheme sanctioned.

Upon sanction of amalgamation scheme, the Company has issued 2 fully paid equity shares of Rs 10 each for 1 equity share of Rs 10 each held by the shareholders of the Sai Aditya Foods and Retail Private Limited. Goodwill arised on account of amalgamation is amortised over a period of 20 years effective from the year 2017-2018.

The amalgamation has been accounted for under the “Purchase method” as prescribed by Business Combinations(Ind AS-103) issued by the ICAI. Accordingly, the assets, liabilities and reserves of the erstwhile Sai Aditya Foods and Retail Private Limited as on the appointed date have been amalgamated with the Company at their book values. The net impact of the amalgamation on assets, liabilities and reserves as on the appointed date is as below:

Particulars			Amount
Non-current Assets			
(a)	Property, plant and equipment		808.65
(e)	Financial assets		
	Other financial assets		16.28
Current Assets			
(a)	Inventories		222.85
(b)	Financial assets		
	(i)	Trade receivables	18.80
	(ii)	Cash and cash equivalents	17.19
	(v)	Other financial assets	5.90
(c)	Current tax assets (net)		1.30
(d)	Other current assets		11.09
	Total Assets		**1,102.06**
Equity			
(a)	Equity share capital*		294.19
(b)	Other equity		96.48
Liabilities			
Non-Current Liabilities			
(a)	Financial liabilities		
	(i)	Borrowings	255.83
(b)	Deferred tax liabilities (net)		41.48
Current Liabilities			
(a)	Financial liabilities		
	(i)	Borrowings	211.86
	(ii)	Trade payables	100.94
	(iii)	Other financial liabilities	57.88
(b)	Other current liabilities		43.39
	Total Assets		**1,102.06**

34. a. On amalgamation share capital has been eliminated by issue of fresh shares.

34. b. On amalgamation investments of Rs.3,20,00,000 held by Company has been eliminated from share capital amounting to Rs.2,14,69,600 and securities premium reserve amouting to Rs.56,25,000.

All amounts in lakhs, unless otherwise stated

35. First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 01 April 2016 (date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Act(previous GAAP or Indian GAAP). An explanation on how the transition from previous GAAP to Ind AS has effected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition, after making necessary adjustments for decommissioning liabilities. This exemption can also be used for Intangible Assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its Property, Plant & Equipment and Intangible Assets at their previous GAAP carrying value.

(ii) Impairment of financial assets

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at 01 April 2016.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind As shall be consistent with the estimates made for the same date in accordance with previous GAAP(after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:-Impairment of financial asset based on expected credit loss model.

(ii) Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliation between previous GAAP and Ind AS (as at 31 March 2017 and 1 April 2016)

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.

The following tables represent the reconciliations from previous GAAP to Ind AS.

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Adjust-ments	As per Ind as balance sheet	Previous GAAP*	Adjust-ments	As per Ind as balance sheet
I. ASSETS							
Non-current Assets							
(a) Property, plant and equipment		1,224.75	-	1,224.75	1,218.52	-	1,218.52
(b) Capital work-in-progress		78.75	-	78.75	-	-	-
(c) Intangible assets		-	-	-	-	-	-
(d) Goodwill		128.54	-	128.54	128.54	-	128.54
(e) Financial assets							
Investments		0.50	-	0.50	0.50	-	0.50
Other financial assets		16.92	-	16.92	16.31	-	16.31
(f) Deferred tax Assets (net)		-	-	14.72	-	-	-
Current Assets							
(a) Inventories		242.48	-	242.48	222.85	-	222.85
(b) Financial assets							
(i) Trade receivables		33.86	-	33.86	18.80	-	18.80
(ii) Cash and cash equivalents		18.57	-	18.57	20.63	-	20.63
(iii) Other bank balances		0.67	-	0.67	0.67	-	0.67
(iv) Loans		12.91	-	12.91	11.15	-	11.15
(v) Other financial assets		11.98	-	11.98	6.29	-	6.29
(c) Current tax assets (net)		11.24	-	11.24	27.53	-	27.53
(d) Other current assets		15.98	-	15.98	11.60	-	11.60
Total assets		**1,797.15**	**-**	**1,811.87**	**1,683.39**	**-**	**1,683.39**
II. EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		557.78	-	557.78	557.78	-	557.78
(b) Other equity	1&2	308.09	(1.06)	306.85	403.72	(24.53)	379.19
Liabilities							
Non-Current Liabilities							
(a) Financial liabilities							
(i) Borrowings		154.16	-	154.16	142.52	-	142.52
(ii) Other financial liabilities		0.62	-	0.62	0.62	-	0.62
(b) Provisions	2	0.57	57.68	58.25	1.03	57.68	58.71
(c) Deferred tax liabilities (net)	1	41.72	(56.62)	-	41.54	(33.15)	8.40
(d) Other non-current liabilities		244.82	-	244.82	105.94	-	105.94
Current Liabilities							
(a) Financial liabilities							
(i) Borrowings		203.45	-	203.45	211.86	-	211.86
(ii) Trade payables		133.18	-	133.18	100.94	-	100.94
(iii) Other financial liabilities		135.38	-	135.38	71.88	-	71.88
(b) Other current liabilities		17.38	-	17.38	45.55	-	45.55
(c) Provisions		-	-	-	-	-	-
TOTAL		**1,797.15**	**-**	**1,811.87**	**1,683.39**	**-**	**1,683.39**

***The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustments	Ind AS
I. Revenue from operations		2,282.98	-	2,282.98
II. Other Income		34.97	-	34.97
III. Total Revenue (I + II)		**2,317.94**	**-**	**2,317.94**
IV. Expenses:				
Cost of materials consumed		858.25	-	858.25
Purchases of Stock-in-trade		569.09	-	569.09
Changes in inventories of finished goods and work in progress		6.01	-	6.01
Employee benefits expense		399.84	-	399.84
Finance costs		39.82	-	39.82
Depreciation and amortization expense		56.78	-	56.78
Other expenses		466.59	-	466.59
Total Expenses		2,396.37	-	2,396.37
V. Profit/(Loss) before tax (III - IV)		**(78.42)**	**-**	**(78.43)**
VI. Tax expense:				
(1) Current tax		17.20	-	17.20
(2) Deferred tax	1	0.18	(23.48)	(23.30)
VII. Profit/(Loss) for the period (V-VI)		**(95.80)**	**23.48**	**(72.33)**
VIII. Other Comprehensive Income/(Loss)				
Items that will not be reclassified to statement of profit and loss				
a) Remeasurement of defined employee benefit plans		-	-	-
b) Income tax relating to item (a) above		-	-	-
Other Comprehensive Income/(Loss) (net of tax)		**-**	**-**	**-**
IX. Total Comprehensive Income/(Loss) for the year		(95.80)	23.48	(72.33)

***The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.**

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes	31 March 2017	1 April 2016
Total equity(shareholder's funds) as per previous GAAP as on April 1, 2016(Opening)		762.97	762.29
Add: Transfer of Reserves on account of amalgamation(Refer Note No 33)		-	96.48
Total equity(shareholder's funds) as per previous GAAP as on April 1, 2016(Closing)		762.97	858.77
Add			
Issue of Equity Share capital on account of Amalgamation(Refer Note 33)	2	158.98	158.98
Reversal of Deferred Tax	1	56.62	33.15
Total		**978.56**	**1,050.90**
Less			
Security premium adjustment on account of Amalgamation(Refer Note 33)	2	56.25	56.25
Remeasurement of employee benefits	2	57.68	57.68
Total		**113.93**	**113.93**
Total equity as per Ind AS		**864.63**	**936.97**

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes	31 March 2017
Profit after tax as per previous GAAP		(95.80)
Adjustments		
Impact on deferred tax on account of Ind AS adjustments	1	23.48
Total comprehensive income as per Ind AS		(72.32)

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities		161.79	-	161.79
Net cash flow from investing activities		(127.25)	-	(127.25)
Net cash flow from financing activities		(36.60)	-	(36.60)
Net increase/(decrease) in cash and cash equivalents		**(2.06)**	**-**	**(2.06)**
Cash and cash equivalents as at 1 April 2016		21.30	0.67	20.63
Cash and cash equivalents as at 31 March 2017		19.24	0.67	18.57

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

D. Notes to first-time adoption:

1) Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. It requires recognition of tax consequences of differences between the carrying amounts of assets and liabilities and their tax base. As a result Deferred tax liability has been decreased by 33.14 lakhs as at 1 April 2016 and 23.47 lakhs as at 31 March 2017 with a corresponding decrease in retained earnings and net losses respectively.

2) Other equity

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments on the date of transition.

3) Cash flow from financing activities

Other bank balances (disclosed under Note 7.3) are not considered as part of cash and cash equivalents under Ind AS and the movement of other bank balances amounting to 0.67 lakhs is the variance in net increase/decrease in cash and cash equivalents as at 31 March 2017.

36. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	31 March 2018	31 March 2017	1 April 2016
Non-current Assets			
(a) Property, plant and equipment	260.25	270.37	267.33
Current Assets			
(a) Inventories	306.26	242.48	222.85
(b) Financial assets			
(i) Trade receivables	67.51	33.86	18.80
TOTAL	**634.03**	**546.71**	**508.98**

As per our report of even date

For M.Anandam & Co.,
Chartered Accountants
Firm Registration Number: 000125S

On behalf of Board of Directors

K. Subbulakshmi
Partner
Membership Number: 205983

K.V. Vishnu Raju
Chairman

R. Ravichandran
Whole Time Director

Place: Hyderabad
Date: 30.05.2018

Rajasekhar
Chief Financial Officer

R.K. Pooja
Company Secretary

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ANJANI FOODS LIMITED

(L65910AP1983PLC004005)

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING
(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Anjani Foods Limited.

I hereby record my presence at the Thirty Fourth Annual General Meeting of the shareholders of Anjani Foods Limited at **Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhhimavaram, W.G.District- 534202** at 10.30 A.M. on Saturday, 29th September, 2018.

DP ID*	Reg. Folio No.
Client ID*	No. of Shares

*Applicable if shares are held in electronic form

Name & Address of Member

Signature of
shareholders/Proxy/ Representative (please Specify)

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anjani foods

ANJANI FOODS LIMITED

(L65910AP1983PLC004005)

R.O: Vishnupurdurgapur, Garagaparru Road, Bhimavaram, Andhra Pradesh 534202

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN	**L65910AP1983PLC004005**		
Name of the company	ANJANI FOODS LIMITED		
Registered office	Vishnupurdurgapur, Garagaparru Road, Bhimavaram, Andhra Pradesh 534202		
Name of the member(s)			
Registered Address			
Email Id			
Folio No / Client ID		DP ID :	

I /We, being the member(s) of_______ shares of the above named company, hereby appoint

1.	Name		
	Address		
	E-mail Id	Signature	
	or failing him		
2.	Name		
	Address		
	E-mail Id	Signature	
	or failing him		
3.	Name		
	Address		
	E-mail Id	Signature	
	or failing him		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Saturday, the 29th September, 2018 at 10.30 AM at Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhhimavaram, W.G.District- 534202 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:

1. Adoption of Audited Financial statements for the year ended March 31, 2018, Reports of the Board of Directors and Auditors.
2. Appointment of a Director in place of Mr. K.Aditya Vissam who retires by rotation and being eligible, offers himself for re-appointment as Director.

Signed this .... day of .... 2018.

Signature of shareholder: ______________________

Signature of Proxy holder(s) : ________________________

Affix Revenue stamp.

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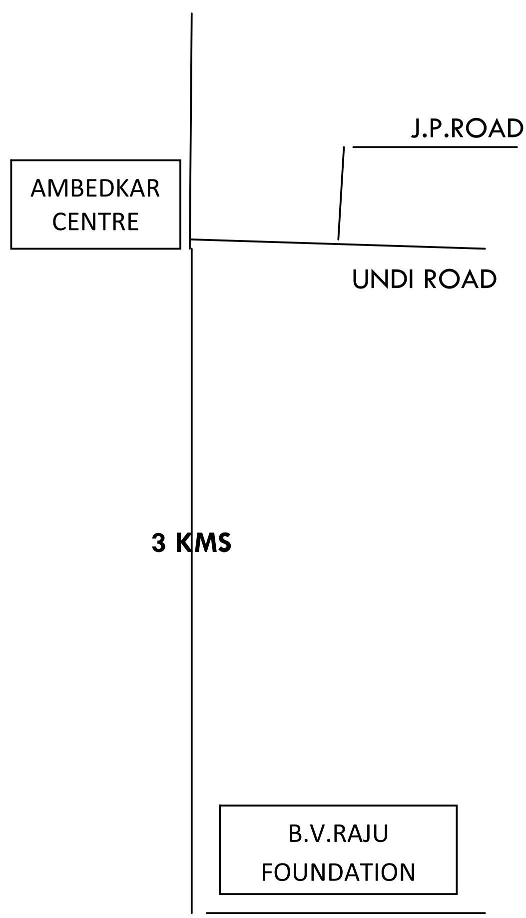
Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy. However such person shall not act as proxy for any other person.

ROUTE MAP TO THE VENUE OF AGM (BHIMAVARAM)



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