FINNS FROZEN FOODS (INDIA) LTD.

Statement of Accounts

For year ended 31st March, 2018

INDEPENDENT AUDITOR'S REPORT

To
The Members of,
Finns Frozen Foods (I) Limited.

1. Report on the Financial Statements

We have audited the accompanying financial statements of **FINNS FROZEN FOODS (INDIA) LIMITED ("The Company")**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

3. Auditor's Responsibility

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

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

We conducted our audit of the standalone Ind AS financial statement in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 state of affairs of the Company as at March 31, 2018 and its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

5. Emphasis of Matter

We draw attention to note of the financial Statements. The Company's operating results have been materially affected due to various factors and as at March 31, 2018, the Company's accumulated losses has fully eroded the net worth of the company. The appropriateness of the going concern assumption is dependent on the Company's ability to establish consistent profitable operations as well as raising adequate finance to meet its short term and long term obligations. Based on the mitigating factors discussed in the said note, management believes that the going concern assumption is appropriate and consequently the accounts are based on going concern basis and no adjustments have been made in the financial statements for the year ended March 31, 2018.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, based on the comments in the auditor's report of the company incorporated in India, we give in the Annexure A a statement on the matters specified in para 3 & 4 of the Order, to the extent applicable.

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

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

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

(c) The Balance Sheet, Statement of Profit and Loss including the statement of Other Comprehensive Income, 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 standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(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 a director in terms of Section 164 (2) of the Act;

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

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

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

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

III. There has been no transfer of amounts to the Investor Education and Protection Fund by the Company as we are informed, no amount was required to be transferred.

For K. F JETSEY & CO.
CHARTERED ACCOUNTANTS
ICAI - FRN- 104209W

(C.A KESHAV JETSEY)
M.No.- BB033206

DATE : 23/05/2018
PLACE : MUMBAI

ANNEXURE A OF OUR REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENT TO THE SHAREHOLDERS OF FINNS FROZEN FOODS (INDIA) LIMITED

1. a) The company has maintained requisite records showing required particulars including quantitative details and situation of Property, Plant and Equipment.

   b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   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.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which provisions of section 185 are applicable and hence not commented upon. Further, in our opinion and according to the information and explanations given to us, provisions of section 186 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

5. According to the information and explanations given to us the company have not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.

6. We have been informed by the management that the maintenance of cost records has not been prescribed by the Central Govt. under section (1) of section 148 of the Companies Act, 2013.

7. a) According to the books and records as produced and examined by us in accordance with Generally Accepted Auditing Practices in India and also based on management representations, undisputed statutory dues in respect of provident fund, employee state insurance, income tax, wealth tax, service tax, sales tax, value added tax, excise duty, cess and other material statutory dues have generally been regularly deposited by the company subject to certain exceptions during the year with the appropriate authorities in India.

   b) According to information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax and excise duty were outstanding as on 31st March, 2018 for a period more than six months from the date the same became payable other than the herein mentioned below:

K. E. JETSEY & CO. CHARTERED ACCOUNTANTS

c) According to the records of the Company, there are no dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty and cess on account of any dispute other than as under:

Name of the Statute	Nature of the Dues	Amount in	Period to which the amount relates	Forum where dispute is Pending
TDS Default Payable	TDS Payable	1,868.00	Assessment Year	Income Tax TDS

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank and the Company does not have any loans or borrowings from any financial institution or Government, nor has it issued any debentures as at the balance sheet date.

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

10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in terms of by the provisions of section 197 read with Schedule V to the Act.

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

13. 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 sections 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 accounting standards.

14. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has made private placement of shares during the year under review and the amount raised have been applied for the purpose for which it has been raised and hence, the company has complied with Section 42 of The Companies Act, 2013.

15. 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 non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.

16. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For K. F JETSEY & CO.
CHARTERED ACCOUNTANTS
ICAI- FRN-104209W

(CA KESHAV JETSEY)
M.No.- BB033206

DATE : 23/05/2018
PLACE : MUMBAI

Annexure - B to the Auditors' Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Finns Frozen Foods (I) Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act,2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 K. F JETSEY & CO.
CHARTERED ACCOUNTANTS
ICAI - FRN-104209W

(CA KESHAV JETSEY)
M.No.- BB038206

DATE : 23/05/2018
PLACE : MUMBAI

FINNS FROZEN FOODS (INDIA) LIMITED

Notes forming Part of the standalone Financial Statements

1. Corporate Information

Finns Frozen Foods (India) Limited ("the Company") is engaged in business of manufacturing ,marketing and trading of Frozen Snacks ,Vegetables ,Mango pulp and puries.

The Company is a public limited company incorporated and domiciled in India and has registered office in Mumbai.

Authorization of standalone financial statements
The authorization of standalone financial statements (hereinafter referred as "Financial Statements") of the Company for the year ended March 31, 2018 were authorised for issue by the Board of Directors at their meeting held on May 24, 2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the "Act") and other relevant provisions of the Act. In accordance with proviso to Rule 4A of The Companies (Accounts) Rules, 2014, the terms used in these financial statements are in accordance with the definition and other requirements specified in the applicable Accounting Standards.

For all period's upto and including the financial year ended March 31, 2017, the Company prepared its standalone financial statements in accordance with Accounting Standards notified under Companies (Accounting Standards Rule,2006 as amended ("Previous GAAP") and other provisions of the Act. The figures for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability.

The standalone financial statements for the year ended March 31, 2018 are the Company's first Ind AS standalone financial statements.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, "First-Time Adoption of Indian Accounting Standards, the date of transition to Ind AS being April 1, 2016.

These standalone financial Statements have been prepared on an accrual basis under the historical cost convention or amortised cost basis except for the following assets and liabilities, which have been measured at fair value:

i. Certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

ii. Defined benefits plans-plan assets measured at fair value, and

iii. Assets held for sale measured at fair value less cost to sell

Refer note no. 38 for an explanination of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow. The date of transition to Ind AS is April 1, 2016

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest Lakhs (INR '00,000) upto two decimals, except when otherwise indicated.

2.2 Current versus non-current classification

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current if it is :
a) expected to be realised or intended to be sold or consumed in normal operating cycle;
b) held primarily for the purpose of trading;
c) expected to be realised within twelve months after the reporting period; or
d) the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.
A liability is current when :
a) it is expected to be settled in normal operating cycle;
b) it is held primarily for the purpose of trading;
c) it is due to be settled within twelve months after the reporting period; or
d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current on net basis.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its normal operating cycle.

2.3 Property, Plant and Equipment (PPE)

Property, Plant and Equipment is recognised 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. Property, Plant and Equipment stated at cost less accumulated depreciation and accumulated impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

If significant parts of an item of Property, Plant and Equipment have different useful lives, then those are accounted as separate items (major components) of Property, Plant and Equipment. The carrying amount of any component accounted as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

Freehold land is carried at historical cost less impairment loss, if any.

The carrying amount of an item of Property, Plant and Equipment is de-recognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the de-recognition of an item of Property, Plant and Equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit or Loss.

2.4 Depreciation/Amortisation

Depreciation on Property, Plant and Equipment is provided on the Straight-Line Method in accordance with requirements prescribed under Schedule II to the Act. The Company has assessed the estimated useful lives of its Property, Plant and Equipment and has adopted the useful lives and residual value as prescribed therein except for Land on finance lease which is amortised over the period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and changes if any, are accounted prospectively.

The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of Property, Plant and Equipment is assessed based on the historical experience and internal technical inputs.

Depreciation on assets purchased/sold during the period is proportionately charged.

Capital Work-in-progress

Property, plant and equipment which are not ready for intended use on the date of Balance Sheet are disclosed as capital work-in-progress. It is carried at cost, less any recognised impairment loss. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2.5 Intangible Assets and Amortisation

Intangible assets acquired separately are measured on initial recognisation at cost. Following initial recognistion, intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite useful lives are amortised on straight line basis over their economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortisation method are reviewed at the end of each reporting period, and any changes, if any, are accounted prospectively. Gain or loss arising from de-recognition of an intangible are recognized in Statement of Profit or Loss when asset is derecognized.

2.6 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible, intangible assets, investment in subsidiaries ard associate to determine whether there is any indication that those assets may be impaired and also whether there is any indication of reversal of impairment loss recognized in previous periods. If any such indication exists, the recoverable amount is estimated, and impairment loss, if any, is recognised and the carrying amount is reduced to its recoverable amount. Recoverable amount is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be. Recoverable amount is determined for individual assets, unless asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised immediately in the Statement of Profit or Loss. When impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognized for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in TUFthe Statement of Profit or Loss.

2.7 Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, fuels, stores and spares and components which are not considered as Property, Plant and Equipment, are valued at lower of cost and net realisable value. Cost is determined on the basis of the first–in–first out basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of Finished Goods consists of direct materials, labour and other direct cost and a proportion of manufacturing overheads based on normal operating capacity. Excise duty is accounted for at the point of manufacture of goods, accordingly, is considered for valuation of finished goods stock lying in the factories and depots as on balance Sheet date.

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

Stock of materials sold by one unit to other is works/ factory costs of the transferor unit/ division, plus transport and other charges.

2.8 Financial Instruments

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:
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 and ancillary costs related to borrowings) 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 in the Statement of Profit or Loss.

Classification and Subsequent Measurement: Financial Assets
The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

Amortised Cost:
A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets 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.

FVTOCI:
A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

- the financial asset 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.

FVTPL:
A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities:
Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial Liabilities at FVTPL:
Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.
Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Other Financial Liabilities:
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets:
The Company recognises loss allowance using expected credit loss model for financial assets which carried at amortised cost. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.
For Trade Receivables, the Company uses the simplified approach permitted by Ind AS 109 Financial Instruments which requires expected life time losses to be recognized from initial recognition of receivables.

Derecognition of financial assets:
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in

profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments:

- Classification as debt or equity:

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments:

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognised at the proceeds received.

Derecognition of financial liabilities:
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting:
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise 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 counter party.

2.9 Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value at the end of each reporting period and changes are recognised in Statement of Profit or Loss.

2.10 Cash and Cash Equivalent

Cash and Cash Equivalent in the Balance Sheet Comprises of cash at bank and on hand and short term deposit with an original deposit of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits as defined above, bank overdraft, and short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.11 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

The identification of geographical information is based on the geographical location of its customers.

2.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

2.13 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provisions are made at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events,unless the probability o outflow of resources are remote.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods
Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, while neither continuing managerial involvement nor effective control over the goods sold is retained. Amount disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts but does not include Value Added Tax (VAT), Central Sale Tax (CST) and Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

Sales Returns
The Company accounts for sales returns by recording an allowance for sales returns. This allowance is based on the Company's historical experience of expected sales returns on account of expiry, breakages and damages. The Company considers its historical experience of sales return to account for such Provision.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Dividends
Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

2.15 Foreign Currency Transactions

On initial recognition, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in the Statement of Profit or Loss account in the period in which they arise.

Non-monetary items that are measured in terms of historical cost foreign currency are translated using exchange rates at the dates of the initial transaction.

2.16 Employee Benefits:

Short-term employee benefits:
Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the Statement of Profit or Loss of the year in which the related service is rendered.

Long-term employee benefits:

- **Defined Contribution Plan:**

  a. **Provident and Family Pension Fund**
  The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Provident Fund Account under the Employees' Provident Fund and Misc. Provisions Act, 1952. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to the Statement of Profit or Loss as incurred.

  b. **Superannuation fund:**
  The superannuation fund benefits are administrated by a Trust formed for this purpose through the Group scheme of Life Insurance Corporation of India. The Company's contribution to superannuation fund are charged to the Statement of Profit or Loss as paid.

- **Defined Benefit Plan:**

  a. **Gratuity**

  In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or death while in employment or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Vesting occurs upon completion of five years of service. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary. The Company makes contribution to the Group Gratuity Scheme with SBI Life Insurance Company Limited based on an independent actuarial valuation made at the year-end.

  Re-measurement 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.

  b. **Compensated Absences**

  The liabilities for leave are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The Company provides for the encashment of absence or absence with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

2.17 Taxes on Income

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments /appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss.

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 Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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 utilized.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

2.18 Leases

Finance Leases

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Operating Leases

Assets taken on lease where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit or Loss on accrual basis.

2.19 Earnings Per Share

The earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

2.20 Research and Development

Revenue expenditure on research and development is charged to Statement of Profit or Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to Property, Plant and Equipment / Intangible Assets.

2.21 Government Grants and Subsidies:

Government grants are recognised in the Statement of Profit or Loss on a systematic basis over the periods in which the Company recognizes the related costs for which the grants are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable towards capital investments under State Investment Promotion Scheme are recognised in the Statement of Profit or Loss in the period in which they become receivable.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

2.22 First-time adoption-mandatory exceptions, optional exemptions

Overall Principle

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to an exemption availed by the Company detailed below:

Deemed cost for Property, Plant and Equipment and Intangible assets
The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease
The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Past business combinations
The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements :

a) The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the standalone Balance Sheet of the Company and would also not qualify for recognition in accordance with Ind AS in the separate Balance Sheet of the Company;

b) The Company has excluded from its opening Balance Sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS; and

c) The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

2.23 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates, assumptions and judgements

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits.

Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisaion for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment 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.

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Fair Value measurements of Financial Instruments

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

Impairment of Assets
The Company has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment.

Provisions
Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

FINNS FROZEN FOODS (INDIA) LIMITED
Standalone Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	3	790.09	855.24	907.88
(b) Capital work-in-progress	3	9.72	-	-
(c) Financial Assets				
Loans	4	12.16	12.99	11.88
				-
Total Non-current Assets		**811.97**	868.22	919.76
Current Assets				
(a) Inventories	5	473.11	374.64	261.09
(b) Financial Assets			-	-
(i) Trade Receivables	6	645.12	481.81	284.68
(ii) Cash and Cash Equivalents	7	25.03	7.66	15.06
(iii) Other Bank Balances	8	-	-	7.74
(iv) Other Financial Assets	9	4.39	6.23	2.17
(c) Current tax Assets (Net)	10	3.43	3.05	2.68
(d) Other Current Assets	10	397.28	353.40	348.98
			-	-
Total Current Assets		**1,548.37**	1,226.80	922.39
Total Assets		**2,360.34**	2,095.02	1,842.15
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	535.00	500.00	500.00
(b) Other Equity	12	-2,077.60	-1,812.63	-1,736.88
Total Equity		**-1,542.60**	-1,312.63	-1,236.88
Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	206.43	191.56	177.76
(b) Provisions	14	50.99	41.29	33.01
Total Non-current Liabilities		257.42	232.84	210.77
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	292.30	298.36	513.79
(ii) Trade Payables	16	2,366.48	1,432.63	743.20
(iii) Other Financial Liabilities	17	64.13	58.99	63.61
(b) Provisions	18	35.21	5.37	3.65
(c) Other Current Liabilities	19	887.39	1,379.47	1,544.02
Total Current Liabilities		3,645.52	3,174.81	2,868.27
Total Equity and Liabilities		**2,360.34**	2,095.02	1,842.15

Significant Accounting Policies 2

See Accompanying notes forming part of the financial statements.

as per our report of even date attached.
For K.F.JETSEY & CO.
CHARTERED ACCOUNTANTS
Firm Registration No 104209W

CA K.F.Jetsey
Proprietor
Membership No.33206

Place : Mumbai
Date : May 23, 2018

For and on Behalf of the Board of Directors of
FINNS FROZEN FOODS (INDIA) LIMITED.

MILAN DALAL
Director
(DIN:00062453)

MOLOY SAHA
Director
(DIN:07763923)

Place : Mumbai
Date : May 23, 2018

FINNS FROZEN FOODS (INDIA) LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from Operations	20	2,134.61	4,034.50
II	Other Income	21	48.02	74.12
III	**Total Income (I+II)**		**2,182.63**	4,108.62
IV	**EXPENSES**			
	Cost of Materials Consumed	22	1,066.94	583.07
	Purchases of Stock-in-Trade	23	295.63	2,394.96
	Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	24	(65.19)	(81.46)
	Employee Benefits Expense	25	239.05	203.78
	Finance Costs	26	36.27	37.81
	Depreciation and Amortisation Expense	3	86.29	78.41
	Other expenses	27	789.42	965.84
	Total Expenses		**2,448.40**	4,182.41
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		(265.77)	(73.79)
VI	Exceptional Item		-	-
VII	**Profit/(Loss) before tax (V-VI)**		(265.77)	(73.79)
VIII	Tax expense		-	-
IX	**Profit for the year (VII-VIII)**		(265.77)	(73.79)
X	**Other Comprehensive Income**			
	Remeasurement of defined benefit plans		0.80	(1.96)
XI	**Other Comprehensive Income for the year**		**(264.97)**	**(75.75)**
	Earnings per equity share (Face Value ₹ 10 Per Share)			
	Basic and Diluted (in ₹)		(4.97)	(1.48)

Significant Accounting Policies 2
See Accompanying notes forming part of the financial statements.

as per our report of even date attached.
For K.F.JETSEY & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 104209W

CA K.F.Jetsey
Proprietor
Membership No.33206

Place : Mumbai
Date : May 23, 2018

For and on Behalf of the Board of Directors of
FINNS FROZEN FOODS (INDIA) LIMITED.

MILAN DALAL
Director
(DIN:00062453)

MOLOY SAHA
Director
(DIN:07763923)

Place : Mumbai
Date : May 23, 2018

FINNS FROZEN FOODS (INDIA) LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before Tax	(264.97)	(75.75)
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
	Depreciation and Amortisation	86.29	78.41
	Interest Expenses	36.27	37.81
	Interest Income	(7.99)	(9.35)
	Profit on Sale of Property, Plant and Equipments		
	Operating Profit Before Changes in Working Capital	**(150.41)**	**31.12**
	Adjustment for Changes in Working Capital		
	Inventories	(98.47)	(113.56)
	Trade Receivables	(163.31)	(197.13)
	Other non Current Assets	0.83	(1.11)
	Other Financial Assets	1.84	(4.07)
	Current Tax Assets (Net)	(0.38)	(0.37)
	Other Current Assets	(43.88)	(4.43)
	Short Term Borrowings	(6.06)	(215.43)
	Trade Payable	933.85	689.44
	Other Current Financial Liabilties	5.14	(4.62)
	Provisions	29.85	1.72
	Other Current Liabilities	(492.08)	(164.55)
	Cash generated from Operations	**16.93**	**17.01**
	Income-tax paid	-	
	CASH FLOW FROM OPERATING ACTIVITY (A)	**16.93**	**17.01**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest Income	7.99	9.35
	Interest Exp		
	Sale of Fixed Assets	-	
	Purchase of Fixed Assets	(30.86)	(25.77)
	Investment in bank fixed deposits	-	
	CASH FLOW FROM INVESTING ACTIVITY (B)	**(22.87)**	**(16.42)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Increase/(Decrease) in Long Term Borrowing	24.58	22.08
	Increase in Share Capital	35.00	
	Interest Expenses	(36.27)	(37.81)
	CASH FLOW FROM FINANCING ACTIVITY (C)	**23.31**	**(15.73)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**17.37**	**(15.14)**
	Cash on hand	0.06	-
	Balances with banks on current account	7.60	22.80
	OPENING BALANCE OF CASH AND CASH EQUIVALENTS	7.66	22.80
	Cash on hand	0.35	0.06
	Balances with banks on current account	24.68	7.60
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**25.03**	7.66
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**17.37**	**(15.14)**

Notes 1. Disclosure in terms of amendment to Ind AS 7 on "Statement of Cash Flows" to evaluate changes in Liabilities arising from financial activities: Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheets for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any impact on the financial statements.

(₹ in Lakhs)

Particulars	As at March 31, 2017	Cash Flows	Non-cash changes	As at March 31, 2018
Non-current Borrowings	-	-	-	-
Current Borrowings (Refer Note 15)	191.56	14.87	-	206.43
Total	**191.56**	**14.87**	**-**	**206.43**

2. 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 read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. Figures in brackets represents outflows/deductions.

As per our report of even date attached.
For K.F.JETSEY & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.104209W

CA K.F.Jetsey
Proprietor
Membership No 33200

Place : Mumbai
Date : May 23, 2018

For and on Behalf of the Board of Directors of
FINNS FROZEN FOODS (INDIA) LIMITED.

MILAN DALAL
Director
(DIN 00062453)

MOLOY SAHA
Director
(DIN:07763923)

Place : Mumbai
Date : May 23, 2018

FINNS FROZEN FOODS (INDIA) LIMITED

Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No	Amount
Balance as at April 1, 2016	11	500.00
Add: Changes in Equity Share Capital during the year		-
Balance as at March 31, 2017		**500.00**
Add: Changes in Equity Share Capital during the year		35.00
Balance as at March 31, 2018		**535.00**

B. Other Equity

(₹ in Lakhs)

Particulars	Note No.	Reserves and Surplus		Total
		Retained Earnings	Capital Contribution Reserve	
Balance as at April 1, 2016	14	(1,859.12)	122.24	(1,736.88)
		-	-	
Profit / (Loss) for the year		(73.79)	-	(73.79)
Other Comprehensive Income		(1.96)	-	(1.96)
Balance as at March 31, 2017		**(1,934.87)**	**122.24**	(1,812.63)
		-	-	
Profit for the year		(265.77)	-	(265.77)
Other Comprehensive Income for the year		0.80	-	0.80
		(264.97)	-	(264.97)
Balance as at March 31, 2018		**(2,199.84)**	**122.24**	(2,077.60)

Significant Accounting Policies 2
See Accompanying notes forming part of the financial statements.

as per our report of even date attached.
For K.F.JETSEY & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.104209W

CA K.F.Jetsey
Proprietor
Membership No.33206

Place : Mumbai
Date : May 23, 2018

For and on Behalf of the Board of Directors of
FINNS FROZEN FOODS (INDIA) LIMITED.

MILAN DALAL
Director
(DIN:00062453)

MOLOY SAHA
Director
(DIN:07763923)

Place : Mumbai
Date : May 23, 2018

FINNS FROZEN FOODS (INDIA)LIMITED

Notes farming the part of standalone financial statements.

3 **Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Land	Building	Plant & Machinary	Office Equipments	Furniture and Fixtures	Total	Capital WIP
(I) Gross Block							
As at April 1, 2016	10.83	264	628.38	1.87	2.51	907.88	-
Additions	-	1.85	19.38	0.87	3.66	25.77	-
Disposal / Adjustments	-	-	-	-	-	-	-
As at March 31, 2017	**10.83**	**266.14**	**647.77**	**2.74**	**6.17**	**933.65**	-
Additions	-	-	19.37	0.98	0.79	21.14	9.72
Disposal / Adjustments	-	-	-	-	-	-	-
As at March 31, 2018	**10.83**	**266.14**	**667.14**	**3.72**	**6.95**	**954.79**	**9.72**
(II) Accumulated Depreciation	-	-	-	-	-		
Upto March 31, 2016	-	-	-	-	-	-	-
Charge for the year	-	12.72	63.00	1.65	1.04	78.41	-
Withdrawal for Disposal / Adjustments	-	-	-	-	-	-	-
Upto March 31, 2017	-	**12.72**	**63.00**	**1.65**	**1.04**	**78.41**	-
Charge for the year	-	13.45	70.77	0.95	1.12	86.29	-
Withdrawal for Disposal / Adjustments	-	-	-	-	-	-	-
Upto March 31, 2018	-	**26.16**	**133.77**	**2.60**	**2.16**	**164.70**	-
Net Block							
Balance as at April 1, 2016	10.83	264.29	628.38	1.87	2.51	907.88	-
Balance as at March 31, 2017	10.83	253.42	584.77	1.09	5.13	855.24	-
Balance as at March 31, 2018	**10.83**	**239.98**	**533.37**	**1.12**	**4.79**	**790.09**	**9.72**

4. Loans: Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits			
Unsecured, considered good	12.16	12.99	11.88
Total	12.16	12.99	11.88

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

5. Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At Lower of Cost or Net Realisable Value			
Raw Materials	57.33	57.62	35.74
Finished goods	325.29	260.10	178.63
Others	-	-	-
Stores,Spares,Consumables and Packing Materials	90.49	56.92	46.72
Total	473.11	374.64	261.09

Charge to Statement of Profit and Loss on account of write-down of inventories to net realisable value for the year is ` Nil (As at March 31, 2017 ` Nil as at April 1, 2016 ` Nil)

6. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Receivables at Amortised Cost			
Unsecured,Considered Good	645.12	481.81	284.68
(includes ` 2,80,78,741 recievable from Foods and Inns Ltd.)	-	-	-
Less: Allowance for doubtful debts (Expected Creditors)	-	-	-
Total	645.12	481.81	284.68

7. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks			
Current Accounts	24.68	7.60	14.30
Cash on hand	0.35	0.06	0.76
	-	-	-
Total	25.03	7.66	15.06

8. Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks on Margin Accounts	-	-	7.74
	-	-	-
Total	-	-	7.74

9. Other Financial Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest accrued but not received	-	1.28	0.52
Advance to Staff against Salary	4.39	3.57	1.65
Forward Contract Receivable	-	1.38	-
Total	4.39	6.23	2.17

10. Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Tax Assets	3.43	3.05	2.68
TDS receivable			
Advances other than capital advances	-	-	-
Unsecured Considered Goods	-	-	-
Advance to Suppliers	135.65	103.42	88.83
Others	-	-	-
VAT/GST Receivables	254.70	245.54	254.87
Prepaid Expenses	6.94	4.45	5.27
Total	397.28	353.40	348.98

11. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised Share Capital			
1,00,00,000 Equity shares of Rs 10/- each par value.	1,000.00	1,000.00	1,000.00
Total Authorised share Capital	1,000.00	1,000.00	1,000.00
Issued, Subscribed & Paid Up			
53,50,000 Equity shares at ₹.10/- par value (50,00,000 Equity shares as at March 31, 2017) (50,00,000 Equity shares as at April 1, 2016)	535.00	500.00	500.00
Total Isuued, Subscribed and Paid up Share Capital	535.00	500.00	500.00

Rights, preferences and restrictions :

The Company has only one class of shares referred to as Equity Shares having par value of ₹10 Each holder of Equity Shares is entitled to one vote per share.

During the year ended on March 31, 2018, the Company has issued 3,50,000 Shares of ₹10 each on preferential basis at at par to Foods And Inns Limited, Holding Company.

a. **Reconciliation of the number of shares outstanding :**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amounts in ₹	No. of Shares	Amounts in ₹	No. of Shares	Amounts in ₹
Shares at the beginning	50,00,000	500,00,000	50,00,000	500,00,000	50,00,000	500,00,000
Add: issue of shares on preferential basis during the year	3,50,000	35,00,000	-	-	-	-
Add: Share warrants issued during the year	-	-	-	-	-	-
Shares at the end	**53,50,000**	**535,00,000**	**50,00,000**	**500,00,000**	**50,00,000**	**500,00,000**

Details of Shares held by Shareholders holding more than 5% ofthe aggregated equity shares in the Company.

Name of shareholder	As at 31 March, 2018		As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	%	Number of shares held	%	Number of shares held	%
1) Foods & Inns Limited.	27,50,000	51.40%	24,00,000	48%	24,00,000	48%
2)International Investments Limited.	25,00,000	46.73%	25,00,000	50%	25,00,000	50%
3)Pallavi Dhupelia.	1,00,000	1.87%	1,00,000	2%	1,00,000	2%
	53,50,000	100%	50,00,000	100%	50,00,000	100%

12. **Other Equity**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Retained Earnings			
As per last Balance Sheet	-1,934.87	-1,859.12	
Add: Net Profit after Tax transferred from Statement of Profit and Loss	-265.77	-73.79	
Add: Other Comprehensive Income	0.80	-1.96	
	-2,199.84	(1,935)	(1,859)
Total	-2,199.84	(1,935)	(1,859)
Capital Contribution Reserve	122.24	122.24	122.24
	-2,077.60	-1,812.63	-1,736.88

escription of the nature and purpose of Other Equity

apital Contribution Reserve : Foods and Inns Limited,the holding Company has provided interest free deposit of Rs. 350 lakhs to the Company towards production facility of frozen mango pulp.As per Ind AS 109, the said deposit has been initially recognised at present value applying the Effective Interest Rate(EIR) .The difference between the amount of deposit of Rs. 350 lakhs and its present value Rs.227.76 lakhs is a economic substance reflecting interest.

13. **Borrowings: Non-current**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits			
Unsecured			
From Related parties	206.43	191.56	177.76
Total	206.43	191.56	177.76

14. **Provisions: Non-current**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Gratuity	32.96	29.78	24.12
Leave Encashment	18.03	11.51	8.89
Total	**50.99**	**41.29**	**33.01**

15. **Borrowings: Current**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans Repayable on demand			
Secured			
From Banks			
Export Credit	292.30	298.36	186.10
Unsecured	-	-	-
From Banks	-	-	-
Bill Discounting	-	-	327.69
Total	292.30	298.36	513.79

Nature of Security and Terms of Repayment of Long-term Borrowings :

Nature of Security	As At April 1, 2018 ₹ in Lakhs	As At April 1, 2017 ₹ in Lakhs	As At April 1, 2016 ₹ in Lakhs
Export Credit	292.30	298.36	186.10
Primary Security:			
Exclusive First Charge on immovable assets, stock , plant and machinery,Debtors of the Company.			
Collateral Security:			
Exclusive First Charge on movable assets of the Company procured/to be procured under the expansion of cold storage project at chittoor factory including import of machinery out of this term loan			
Corporate Guarantee:			
Exclusively given by Foods And Inns Limited, Holding Company.			

16. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total outstanding due to Micro & Small Enterprises	192.99	66.58	49.80
Total outstanding due to Other than Micro & Small Enterprises	2,173	1,366.06	693
	-	-	-
Total	**2,366.48**	**1,432.63**	**743.20**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Disclosure in accordance with section 22 of MSME P Act, 2006.			
Principal amount remaining unpaid to any supplier as at the end of the accounting year	192.99	66.58	49.80
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
Interest paid in terms of section 16.	-	-	-
Interest due and payable for the period of delay in payment.	-	-	-
interest accrued and remaining unpaid at the end of the accounting year	-	-	-
Interest due and payable even in the succeeding year.	-	-	-
	-	-	-
Total	192.99	66.58	49.80

Note: This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been indentified on the basis of information available with the Company.

17. Other Financial Liabilities: Current

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Payables			
Outstanding Expenses	64.13	58.99	63.61
Total	**64.13**	58.99	63.61

18. Current Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Provision for Bonus	6.71	5.37	3.65
Provision for Employee Arrears	28.50	-	-
Total	**35.21**	**5.37**	**3.65**

19. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advnace from Customers	885.01	1,370.58	1,504.13
Others			
Statutory liabilities.	2.38	8.89	39.89
	-	-	-
Total	**887.39**	**1,379.47**	**1,544.02**

20. **Revenue From Operations**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)(Refer Note 39)		
Manufactured Goods	2,025.54	3,728.13
Other Operating Revenue		
Export Benefits	82.44	165.74
Processing Charges	11.19	78.35
Warehousing Charges	0.09	56.75
Local Sales	-	1.77
Sales of Packing Material	10.32	0.17
Sales of Scrap	5.02	3.58
Total Revenue From Operations (A+B)	**2,134.61**	**4,034.50**

21. **Other Income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income :		
Interest on Fixed and Other Deposits	7.99	9.35
Other Non-Operating Income :		
Exchange gains/(losses) on foreign currency forward contract	39.91	64.31
Brokerage Received	-	0.47
Sundry Balances written off	0.12	-
Total	**48.02**	**74.12**

22. **Cost of materials consumed**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw Materials Consumed		
Opening Stock	57.62	35.74
Add: Purchases	854.81	487.49
Less: Closing Stock	57.33	57.62
	855.11	465.61
Packing Materials		
Opening Stock	52.45	42.90
Add: Purchases	245.65	127.02
Less: Closing Stock	86.27	52.45
	211.83	117.47
Total Cost of materials consumed	**1,066.94**	583.07

23. **Purchases of Stock-in-Trade**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Frozen Vegetables	54.90	40.51
Frozen Fruit Pulp	240.73	2,354.46
Total	**295.63**	**2,394.96**

24. **Changes in Inventories of Finished Goods**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finished Goods		
Closing Stock	325.29	260.10
Less: Opening Stock	260.10	178.63
Total	**(65.19)**	**(81.46)**

25. **Employee Benefits Expense**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	214.09	181.77
Contribution to Provident and Other Funds	10.29	8.73
Gratuity	4.26	3.71
Staff Welfare Expenses	10.41	9.58
Total	**239.05**	203.78

26. **Finance Costs**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	21.39	24.01
EIR of security Deposit	14.87	13.80
Total	**36.27**	37.81

27. **Other Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power and Fuel	179.30	141.66
Consumption of stores and spare parts	40.66	29.70
Labour Charges	200.49	146.61
Depodding Charges	10.21	3.40
Water Charges	6.10	14.41
Repairs to Buildings	7.91	10.12
Repairs to Machinery	6.40	3.46
Repairs Others	2.58	6.09
Factory Up Keep	4.28	5.89
Loading and Unloading Charges	0.67	0.76
Bank charges	11.02	42.52
Telephone Charges	1.12	1.79
Guarantee Commission Fees	5.00	5.00
Insurance Charges	2.69	1.80
Legalisation, Application Documents Charges etc.	3.29	6.27
Legal and Professional Fees	11.85	7.40
Miscellaneous expenses	7.60	11.56
Foreign Exchange (Gain)/Loss (Net)	-2.20	11.72
Claims & Rebate(Please refer note 37)	1.77	29.37
Auditors Remunaration	3.84	3.29
Misc . Balance Written Off	-	21.91
Printing and Stationery	0.02	0.10
Rent,Rates and Taxes	10.92	5.29
Sales Promotion	0.26	1.22
Security Charges	12.72	15.74
Service Tax and Cess	2.99	13.82
Freight and Forwarding (Net)	245.04	413.35
Travelling and Conveyance	7.58	8.32
Trial Expenses	5.32	3.28
Total	**789.42**	**965.84**

28 **Earnings Per Share (EPS)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	**(265.77)**	(73.79)
Total Weighted Average number of Equity Shares used as denominator for calculating Basic and Diluted EPS	**53,50,000**	50,00,000
Face Value per Equity Share	**10**	10
Basic and Diluted Earnings per Share	**(4.97)**	(1.48)

29 **Disclosure as per Ind AS 17 on "Leases":**

The Company has entered into Operating Lease Agreements for mango line with Foods And Inns Limited .

(₹ in Lakhs)

Minimum Lease Rents Payable	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within 1 Year	10.92	5.29	5.00
After 1 Year but before 5 years	-	-	-
After 5 years	-	-	-
Total	**10.92**	**5.29**	**5.00**

30 Employee Benefits

The Company has classified various employee benefits as under:

A. The Company Contributes to following funds which are considered as defined contribution plan.

Provident Fund

State Defined Contribution Plans

Employers' Contribution to Employees' State Insurance

Employers' Contribution to Employees' Pension scheme 1995

B. Defined Benefit Plans

Gratuity

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

	Particulars	Valuation as at	
		March 31, 2018	March 31, 2017
i.	Discount Rate (per annum)	7.73%	7.29%
ii.	Rate of increase in Compensation levels (per annum)	6.00%	6.00%
iii.	Expected Rate of Return on Assets	NA	NA
iv.	Attrition Rate	2.00%	2.00%
v.	Retirement Age	58 yrs	58 yrs

vi.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

vii. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note on other risks:

Investment risk - The funds are invested by SBI Life Insurance Company Limited and they provide returns basis the prevalent bond yields, SBI Life Insurance Company Limited on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

Interest Risk - SBI Life Insurance Company Limited does not provide market value of assets, rather maintains a running statement with interest rates declared annually - The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

Longevity Risk - Since the gratuity payment happens at the retirement age of 60, longevity impact is very low at this age, hence this is a non-risk.

Salary risk - The liability is calculated taking into account the salary increases, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

(₹ in Lakhs)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
		Gratuity Funded	Gratuity Funded
i.	**Changes in Present value of Obligation**		
	Present value of defined benefit obligation at the beginning of the year	29.78	24.12
	Current Service Cost	2.09	1.77
	Interest Cost	2.17	1.94
	Actuarial (gains)/ losses arising from changes in financial assumption	(1.46)	2.26
	Actuarial (gains)/ losses arising from changes in experience adjustment	0.66	(0.30)
	Benefits Paid	(0.28)	-
	Present value of defined benefit obligation at the end of the year	32.96	29.78
ii.	**Net Benefit (Asset) /Liability**		
	Defined benefit obligation	(32.96)	(29.78)
	Funded Status (Surplus/ (Deficit))	(32.96)	(29.78)
	Net Benefit (Asset) /Liability	(32.96)	(29.78)
iii.	**Net Interest Cost for Current Period**		
	Present Value of Benefit Obligation at the Beginning of the Period	29.78	24.12
	Net Liability/(Asset) at the Beginning	0.00	0.00
	Interest Cost	2.17	1.94
	Net Interest Cost for Current Period	0.00	0.00
iv	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	2.09	1.77
	Interest cost on benefit obligation (net)	2.17	1.94
v	**Remeasurement Effects Recognised in Other Comprehensive Income for the year**		
	Actuarial (gains)/ losses on Obligations For the Period	(0.80)	1.96
vi	**Cash flow Projection: From the Employer**		
	Within the next 12 months (next annual reporting period)	0.88	0.75
	2nd following year	0.94	0.80
	3rd following year	0.99	0.86
	4th following year	1.05	0.90
	5th following year	1.11	0.96
	Sum of Years 6 To 10	17.17	9.58
	Sum of Years 11 and above	55.73	57.77
vii	**Sensitivity Analysis**		
	Projected Benefit Obligation on Current Assumptions	32.96	29.78
	Delta Effect of +1% Change in Rate of Discounting	(3.03)	(2.96)
	Delta Effect of -1% Change in Rate of Discounting	3.45	3.41
	Delta Effect of +1% Change in Rate of Salary Increase	3.47	3.42
	Delta Effect of -1% Change in Rate of Salary Increase	(3.10)	(3.02)
	Delta Effect of +1% Change in Rate of Employee Turnover	0.39	0.29
	Delta Effect of -1% Change in Rate of Employee Turnover	(0.43)	(0.32)
vii	**The major categories of plan assets as a percentage of total**		
	Insurer managed funds	NA	NA

31 Contingent Liabilities, Financial Gurantees and Commitments

(₹ in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A.	Contingent Liabilities not provided for			
	Claims against the Company not acknowledged as debt	-	-	-
	Total	-	-	-
B.	Capital and other commitments			
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	5.28	-	-
	Total	**5.28**	-	-

32 Capital Management and Financial Risk Management Policies

A. Capital Management

For the purpose of the Company's Capital Management, Capital includes issued Equity Capital and all Other Reserves attributable to the Equity shareholders of the Company. The Primary objective of the Company's Capital Management is to maximise the shareholders' value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value. The Company is monitoring Capital using debt equity ratio as its base, which is debt to equity. The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.The current capital structure of the Company is equity based with no financing through borrowings. During the year Company has repaid all the borrowings.

1. Debt Equity Ratio - Total Debt divided by Total Equity (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Debt	**498.73**	489.92	691.55
Total Equity	**(1,542.60)**	(1,312.63)	(1,236.88)
Debt Equity Ratio	(0.32)	(0.37)	(0.56)

B. Financial Risk Management and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in select instances. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The company is exposed to market risk, credit risk, liquidity risk etc. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital. The Company's capital structure is managed using equity and debt ratios as part of the Company's financial planning.

a. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include investments and derivative financial instruments.The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

The Company's activites expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company has entered into forward contracts to manage part of its foreign currency risk. The Company dose not enter into forward contracts to manage risks related to anticipated sales and purchases

The above mentioned risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below:

i. Foreign Currency Risk:

The company is subject to the risk that changes in foreign currency values impact the company export and other payables.

Foreign currency exposure as at March 31, 2018 are un-hedged as per the policy of the company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount in Foreign currency in lakhs	₹ in Lakhs	Amount in Foreign currency in lakhs	₹ in Lakhs	Amount in Foreign currency in Lakhs	₹ in Lakhs
Payable USD	13.53	885.03	21.14	1,383.69	23.21	1,550.91
Receivable USD	2.48	160.42	0.91	58.55	0.93	61.54
Payable GBP	0.11	9.93	0.23	18.61	1.19	115.56
Receivable GBP	1.79	150.10	11.94	958.19	2.38	227.00

Particulars of un-hedged foreign currency asset / liability as at the end of the reporting period is as follows :

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount in Foreign currency in Lakhs	₹ in Lakhs	Amount in Foreign currency in Lakhs	₹ in Lakhs	Amount in Foreign currency in Lakhs	₹ in Lakhs
Payable USD	13.53	885.03	21.14	1,383.69	23.21	1,550.91
Receivable USD	2.48	160.42	0.91	58.55	0.93	61.54
Payable GBP	0.11	9.93	0.23	18.61	1.19	115.56
Receivable GBP	1.04	87.38	11.94	958.19	2.38	227.00

Foreign currency sensitivity:

The following table demonstrates the sensitivity to a 5% increase/decrease in foreign currencies exchange rates, with all other variables held constant.

5% increase or decrease in foreign exchange rate will have the following impact on before profit before tax

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	5% increase	5% decrease	5% increase	5% decrease
Impact on Profit and Loss				
USD	(36.23)	36.23	(66.26)	66.26
GBP	3.87	(3.87)	46.98	(46.98)
Total	(32.36)	32.36	(19.28)	19.28

ii. Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover foreign currency payments in USD. The Company enters in to contracts with terms upto 120 days and 90 days.

Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period

Outstanding contracts	Average exchange rates			Foreign Currency		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
GBP-Sell	87.50	-	-	£ 75,000	-	-

(₹ in Lakhs)

Outstanding contracts	Nominal Amounts			Fair value Assets/(Liabilities)		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
In INR	65.63	-	-	62.72	-	-
Total	65.63	-	-	62.72	-	-

Note on Sensitivity Analysis

The Sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period,while holding all other assumptions constant.

The Sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis,the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period,which is same mathod as applied in calculating the projected benefit obligation as recognised in the balance sheet.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

There was no change in the method and assumptions used in prepring the sensitivity analysis from prior years.

C. **Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The outstanding trade receivables are regularly monitored and appropriate actions are taken for collection of overdue receivables.Wherever necessary shipments to customers are covered by letter of credit depending upon the credit worthiness of the customer. The credit risk on liquid funds such as balance in current and deposits account with bank is limited as the counterparties are banks with reasonably high credit ratings.

The Company has made provision based on the difference between the outstanding trade receivable as at balance sheet date and the present value of the expected realisation over a period of 12 months from the balance sheet date. The Company has considered discount rate of 8% p.a for caluculating the present value.

Table showing Ageing of Trade Receivables and Movement in Expected Credit Loss Allowance

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Age of receivables:			
Within the credit period	633.97	470.66	273.53
0- 3 Months	-	-	-
3- 6 Months	-	-	-
6- 9 Months	-	-	-
9- 12 Months	-	-	-
12- 15 Months	-	-	-
15- 18 Months	-	-	-
18- 21 Months	-	-	-
More than 21 Months	11.15	11.15	11.15
Total	**645.12**	**481.81**	**284.68**
Movement in the credit loss allowance			
Balance at the beginning of the year	-	-	-
Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected	-	-	-
Balance at the end of the year	-	-	-

D. **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value The company manages its liquidity risk by maintaining positive cash and bank balance and availability of fund through adequate cash credit facility. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. Cash flow from operating activities provides the funds to service and finance the finnacial liabilities on a day-to-day basis.

The table below provides details regarding the remaining contractual maturities of Company's financial liabilities:

(₹ in Lakhs)

Particulars	Less than 1 Year/ On Demand	1-5 years	More than 5 years	Total
As at March 31, 2018				
Non-derivative financial liabilities				
Trade Payables	2,366.48	-	-	2,366.48
Current Borrowings	292.30			292.30
Other financial liabilities	64.13			64.13
	2,722.91	-	-	2,722.91
As at March 31, 2017				
Non-derivative financial liabilities				
Borrowings				
Trade Payables	1,432.63			1,432.63
Current Borrowings	298.36			298.36
Other financial liabilities	58.99			58.99
	1,789.98	-	-	1,789.98
As at April 1, 2016				
Non-derivative financial liabilities				
Borrowings				
Trade Payables	743.20			743.20
Current Borrowings	513.79			513.79
Other financial liabilities	63.61			63.61
	1,320.60	-	-	1,320.60
Derivative financial liabilities	-			-
Foreign Exchange Forward Contracts	-			-

K. F. JETSEY & CO. BOMBAY CHARTERED ACCOUNTANTS

33 **Financial Instruments**

The fair values of the financial assets and liabilities are defined as 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.

Valuation

i. The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
ii. The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date
iii. The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the

Fair Value measurement heirarchy

The fair value of financial instruments as referred below have been classified into three categories depending on the inputs used in the valuation technique.
The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:
Level 1: Quoted prices for identical instruments in an active market;
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data.

The carrying amounts and fair values of financial instruments by class are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Carrying Amounts	Fair Value			Carrying Amounts	Fair Value			Carrying Amounts	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Finanical Assets												
Measured at Amortised Cost												
Loans : Non-Current												
Trade Receivable	645.12				481.81				284.68			
Cash and Bank Balance	25.03				7.66				22.80			
Other Financial Assets	4.39				6.23				2.17			
Total Finanical Assets	**674.54**				**495.70**				**309.65**			
Finanical Liabilities												
Measured at Amortised Cost												
Borrowing	292.30				298.36				513.79			
Trade Payables	2,366.48				1,432.63				743.20			
Other Financial Liabilities	64.13				58.99				63.61			
Total Finanical Liabilities	**2,722.91**				**1,789.98**				**1,320.60**			

34 **Related Party Disclosures**

Related Party Disclosures as required by Ind AS 24 on "Related Party Disclosures" are given below:

List of Related Paties and related party relationship where control exists with whom transactions have taken place during the year.

A. **Holding Company**

Foods and Inns Limited

Transactions with related parties

(₹ in Lakhs)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Sales to and Other recoveries from related parties		
	Foods and Inns Limited	285.42	265.16
	Purchase/ other services from related parties		
	Foods and Inns Limited	290.95	2,356.84
	Guarantee Commission Expense		
	Foods and Inns Limited	5.00	5.00
	Transactions Incurred by Company on behalf of Related Parties		
	Expenses Incurred		
	Foods and Inns Limited	25.91	57.66
	Transactions Incurred by Related Parties on behalf of Company		
	Expenses Incurred		
	Foods and Inns Limited	1,155.01	1,983.14
	Income received		
	Foods and Inns Limited	2.40	-
	Funds transfer to Related Party		
	Foods and Inns Limited	1,352.48	3,110.68
	Funds transfer from Related Party		
	Foods and Inns Limited	948.30	552.77

C. **Outstanding Balances**

(₹ in Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Trade Receivables			
	Foods and Inns Limited	-	298.39	-
	Trade Payables			
	Foods and Inns Limited	963.78	1,182.38	-
	Advances repayable in cash or in kind			
	Foods and Inns Limited	730.62	-	336.56
	Other Deposits Payable			
	Foods and Inns Limited	300.00	300.00	300.00
	Capital Contribution			
	Foods and Inns Limited	227.00	192.00	192.00
	Corporate Guarantee taken			
	Foods and Inns Limited	600.00	600.00	600.00

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on account of trade receivable, trade payable, other receivable, other payable and interest receivable on loan at the year end are unsecured and settlement occurs in cash.

35 **Disclosure as per Ind As 108 on "Segment Reporting":**
As the Company's business activity falls within a single business segment in terms of Ind AS 108 on " Operating Segment", the financial statement are reflective of the information required by Ind AS 108.

36 The Company is entitled to Export Benefits, under Merchandise Exports from India Scheme (MEIS) vide Public Notice No.2/2015-20 dated April 1, 2015, in respect of export of Fruit Pulp, paste, slice, Canned Vegetables and others. The Company recognises such Export Benefits on the basis of export of goods. Accordingly, the Company has recognised Export benefits of ₹ 82.44 Lakhs (For the year ended March 31, 2017 ₹ 165.74 Lakhs) on export of goods.

37 **Payments to statutory auditors**

(₹ in Lakhs)

Particulars	Year Ended March 31,2018	Year Ended March 31,2017
Audit Fees and Tax Audit Fees	3.84	3.29
Tax matters fees	-	-
Total	**3.84**	**3.29**

38 Reconciliation between previous GAAP to Ind AS

A. Reconciliation of Balance Sheet as previously reported under previous GAAP to Ind AS as at April 1, 2016

(₹ in Lakhs)

Particulars	Note No.	previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment		907.88	-	907.88
(b) Financial Assets				-
(i) Loans		11.88	-	11.88
Total Non-current Assets		919.76		919.76
Current Assets				
(a) Inventories		261.09	-	261.09
(b) Financial Assets		-	-	-
(i) Trade Receivables		284.68	-	284.68
(ii) Cash and Cash Equivalents		15.06	-	15.06
(iii) Other Bank Balances		7.74	-	7.74
(iv) Other Financial Assets		2.17	-	2.17
(c) Other Current Assets		351.66	-	351.66
Total Current Assets		922.39	-	922.39
Total Assets		**1,842.15**	-	**1,842.15**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		500.00	-	500.00
(b) Other Equity	a	(1,859.12)	122.24	(1,736.88)
Total Equity		(1,359.12)	122.24	(1,236.88)
Liabilities				
Non-current Liabilities		-	-	-
(a) Financial Liabilities		-	-	-
(i) Borrowings	a	300.00	(122.24)	177.76
(b) Provisions		33.01	-	33.01
Total Non-current Liabilities		333.01	(122.24)	210.77
Current Liabilities				
(a) Financial Liabilities		-		-
(i) Borrowings		513.79	-	513.79
(ii) Trade Payables		743.20	-	743.20
(iii) Other Financial Liabilities		63.61	-	63.61
(b) Provisions		3.65	-	3.65
(c) Other Current Liabilities		1,544.02	-	1,544.02
Total Current Liabilities		2,868.27	-	2,868.27
Total Liabilities		3,201.27	(122.24)	3,079.03
Total Equity and Liabilities		**1,842.15**	-	**1,842.15**

B. Reconciliation of Balance Sheet as previously reported under previous GAAP to Ind AS as at March 31, 2017

(₹ in Lakhs)

Particulars	Note No.	previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment		855.24	-	855.24
(b) Financial Assets				
(i) Loans		12.99	-	12.99
Total Non-current Assets		868.22	-	868.22
Current Assets				
(a) Inventories		374.64	-	374.64
(b) Financial Assets				
(i) Trade Receivables		481.81	-	481.81
(ii) Cash and Cash Equivalents		7.66	-	7.66
(iii) Other Bank Balances		-	-	-
(iv) Other Financial Assets		6.23	-	6.23
(c) Other Current Assets		356.46	-	356.46
Total Current Assets		1,226.80	-	1,226.80
Total Assets		**2,095.02**	-	**2,095.02**
EQUITY AND LIABILITIES				
Equity		-		-
(a) Equity Share capital		500.00	-	500.00
(b) Other Equity		(1,921.07)	108.44	(1,812.63)
Total Equity		(1,421.07)	108.44	(1,312.63)
Liabilities				
Non-current Liabilities		-		-
(a) Financial Liabilities		-		-
(i) Borrowings	a	300.00	(108.44)	191.56
(b) Provisions		41.29	-	41.29
Total Non-current Liabilities		341.29	(108.44)	232.84
Current Liabilities				
(a) Financial Liabilities		-		
(i) Borrowings		298.36	-	298.359
(ii) Trade Payables		1,432.63	-	1,432.635
(iii) Other Financial Liabilities		58.99	-	58.987
(b) Provisions		5.37	-	5.365
(c) Other Current Liabilities		1,379.47	-	1,379.469
Total Current Liabilities		3,174.81	-	3,174.82
Total Liabilities		3,516.10	(108.44)	3,407.66
Total Equity and Liabilities		**2,095.02**	-	**2,095.02**

C. **Reconciliation Statement of Profit and Loss as previously reported under previous GAAP to Ind AS for the year ended March 31, 2017**

(₹ in Lakhs)

	Particulars	Note No.	previous GAAP	Effect of transition to Ind AS	Ind AS
I	Revenue from Operations		4,034.50	-	4,034.50
II	Other Income		74.12	-	74.12
			-		
III	**Total Income (I+II)**		**4,108.62**	-	**4,108.62**
IV	**EXPENSES**				
	Cost of Materials Consumed		583.07	-	583.07
	Purchase of Stock-in-Trade		2,394.96		2,394.96
	Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade		(81.46)	-	(81.46)
	Employee Benefits Expense	b	205.74	(1.96)	203.78
	Finance Costs	a	24.01	13.80	37.81
	Depreciation and Amortisation Expense		78.41	-	78.41
	Other expenses		965.84	-	965.84
	Total Expenses		**4,170.57**	**11.84**	**4,182.41**
V	**Total Profit/(loss) before exceptional items and tax (III-IV)**		(61.95)	(11.84)	(73.79)
VI	Exceptional Items		-	-	-
VII	**Profit/(loss) before tax (V-VI)**		**(61.95)**	**(11.84)**	**(73.79)**
VIII	Tax expense:				
	(a) Current Tax		-	-	-
	(b) Deferred Tax		-	-	-
	Total Tax expenses		-	-	-
	Profit for the year (VII-VIII)		**(61.95)**	**(11.84)**	**(73.79)**
X	**Other Comprehensive Income**				
	Item that will not be reclassified subsequently to profit or loss				
	Remeasurement gain/(loss) on the Defined Benefit Plans	c	-	(1.96)	(1.96)
	Other Comprehensive Income		-	**(1.96)**	**(1.96)**
XI	**Total Comprehensive Income for the year (IX+X)**		**(61.95)**	**(13.80)**	**(75.75)**

D. **Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016**

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2017	As at April 1, 2016
Total Equity as per previous GAAP		(1,421.07)	(1,359.12)
Add /(Less) : Adjustments		-	
Amortisation of Security Depsoit as per effective interest rate method	b	108.44	122.24
Total adjustments		108.44	122.24
Total Equity as per Ind AS		**(1,312.63)**	**(1,236.88)**

E. **Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2017
Net Loss as per Previous GAAP		(61.95)
Add /(Less) : Adjustments in Statement of Profit and Loss		
a. Amortisation of Security Depsoit as per effective interest rate method		(13.80)
b. Remeasurement gain/(loss) on Defined Benefit Plans (Net of Tax)	b	1.96
Total effect of transition to Ind AS		(11.84)
Net Loss as per Ind AS		**(73.79)**
Other Comprehensive Income (Net of Tax)	b	(1.96)
Total Comprehensive Income		**(75.75)**

F. **Impact of Ind AS adoption on the Standalone statements of cash flows for the year ended March 31, 2017**

(₹ in Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	35.01	(18.00)	17.01
Net cash flow from investing activities	(24.77)	-	(16.42)
Net cash flows from financing activities	(24.01)	-	(15.73)
Net increase / (decrease) in cash and cash equivalents	**-13.77**	**-18.00**	**-15.14**
Cash and cash equivalents as at April 1, 2016	22.79	-	22.79
Cash and cash equivalents as at March 31, 2017	9.04	-1.38	7.66

a. **Transaction Cost/ Borrowing Cost**

Transaction cost are defined as incremental costs that are directly attributable to the acquisition, issue or disposal of a financial assets and financial liability. As per Ind AS transaction costs in case of financial assets, measured at amortised cost and FVTOCI are shown net of such asset. Similarly in case of financial liabilities, measured through amortised cost transaction costs are deducted from it and shown net of such liabilities.

b. **Loan to employees**

The Company has given interest free loans to some of its employees. As per Ind AS employee loans should be measured at fair value on initial recognition with a subsequent decrease in the amount of employee loan. The fair value is determined using the present value method using discount rate which is the market borrowing rate. The Company will accrue interest income at the effective interest rate (discount rate) over the term of the loan. The difference between the loan amount and its fair value is charged to the Statement of Profit and Loss as "Employee Benefit Expenses".

c. **Defined Benefit Plans**

Under previous GAAP, actuarial gains and losses were recognised in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

39 **Impact of implementation of Goods and Services Tax (GST) on the financial statements**

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended March 31, 2017 and for the period April 01, 2017 to June 30, 2017 were reported gross of Excise duty and net of Value Added tax (VAT). Excise duty was reported as a separate expense line item. Consequent to the introduction of Goods and Service Tax (GST) with effect from July 01, 2017, VAT, Excise duty etc have been subsumed into GST and accordingly the same is not recognised as part of sales as per requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, Financial statements for the year ended March 31, 2018 and in particular, sales, absolute expenses, elements of working capital (inventories, trade payable, other current assets/ current liabilities etc) and ratios in percentage of sales, are not comparable with the figures of the previous year.

40 **Ins AS issued but not yet effective**

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs :

Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or 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 standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Ind AS 21 : The Effects of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction, for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income (or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on its financial statements and the impact is not material.

As per our report of even date attached
For K.F.JETSEY & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.104209W

CA K.F.Jetsey
Proprietor
Membership No.33206

Place : Mumbai
Date : May 23, 2018

For and on Behalf of the Board of Directors
FINNS FROZEN FOODS (INDIA) LIMITED.

MILAN DALAL
Director
(DIN:00062453)

MOLOY SAHA
Director
(DIN:07763923)

Place : Mumbai
Date : May 23, 2018