Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
10 C Hungerford Street
5th Floor, Kolkata 700017
India

T +91 33 4050 8000

Independent Auditor's Report

To the Members of Apricot Foods Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Apricot Foods Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Independent Auditor's Report of even date to the members of Apricot Foods Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Report of even date to the members of Apricot Foods Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

12. 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, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report to the extent applicable, 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 purpose of our audit of the accompanying financial statements;

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

    c. the financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f. we have also audited the internal financial controls with reference to the financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 19 June 2020 as per Annexure B expressed an unmodified opinion; and

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Report of even date to the members of Apricot Foods Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

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

   i. the Company, as detailed in Note 40 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

   ii. the Company did not have any long-term contracts including derivatives contract for which there were any material foreseeable losses as at 31 March 2020;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 20060568AAAAAY5872

Place: Kolkata
Date: 19 June 2020

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report of even date to the members of Apricot Foods Private Limited, on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

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

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ lacs)	Amount paid under protest (₹ lacs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	68.84	13.77	AY 2014-15	Commissioner of Income tax (Appeals)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government during the year and did not have any outstanding debentures during the year.

CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure A to the Independent Auditor's Report of even date to the members of Apricot Foods Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the Company has applied the term loans for the purposes for which these were raised.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 20060568AAAAAY5872

Place: Kolkata
Date: 19 June 2020

Annexure B to the Independent Auditor's Report of even date to the members of Apricot Foods Private Limited, on the financial statements for the year ended 31 March 2020

Independent Auditor's report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Apricot Foods Private Limited ("the Company") as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors 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 (the "Guidance Note") 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 the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date to the members of Apricot Foods Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 20060568AAAAAY5872

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Kolkata
Date: 19 June 2020

Walker Chandiok & Co LLP

Financial Statements and Independent Auditors' report

Apricot Foods Private Limited

31 March 2020

Apricot Foods Private Limited
Balance Sheet as at 31 March 2020
(All amounts in ₹ lacs, unless other wise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	3,132.67	1,469.42
(b) Capital work-in-progress	3	-	1,375.38
(c) Right-of-use asset	4	249.27	-
(d) Deferred tax assets (net)	5	700.41	318.88
(e) Non-current tax assets (net)	6	18.54	94.32
(f) Other non-current assets	7 (A)	38.21	201.41
Sub total (A)		4,139.10	3,459.41
Current assets			
(a) Inventories	8	823.38	950.83
(b) Financial assets			
(i) Investments	9	-	263.95
(ii) Trade receivables	10	276.33	729.76
(iii) Cash and cash equivalents	11	25.91	27.10
(iv) Other bank balances	12	-	60.79
(v) Other financial assets	13	674.23	-
(c) Current tax assets (net)	14	215.53	135.30
(d) Other current assets	7 (B)	88.64	80.21
Sub total (B)		2,104.02	2,247.94
Total Assets (A+B)		6,243.12	5,707.35
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	40.00	40.00
(b) Other equity	16	2,631.58	3,795.68
Sub total (C)		2,671.58	3,835.68
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(A)	91.15	-
(ii) Finance lease obligation	18(A)	72.14	-
(b) Provisions	19(A)	33.01	16.02
Sub total (D)		196.30	16.02
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(B)	1,231.16	366.82
(ii) Finance lease obligation	18(B)	191.38	-
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	20	709.96	393.30
- total outstanding dues of creditors other than micro enterprises and small enterprises	20	492.73	430.29
(iv) Other financial liabilities	21	490.49	498.47
(b) Other current liabilities	22	219.93	150.47
(c) Provisions	19(B)	39.59	16.30
Sub total (E)		3,375.24	1,855.65
Total Equity and Liabilities (C+D+E)		6,243.12	5,707.35

The accompanying notes are integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vikram Dhanania
Partner
Membership No. 060568

Place: Kolkata
Date: 19 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors of
Apricot Foods Private Limited

Sd/-

Rajesh Kumar Arunbhai Patel
Director
(DIN: 02089068)

Place: Kolkata
Date: 19 June 2020

Himanshu Khanna
Director
(DIN: 02558076)

Apricot Foods Private Limited
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in ₹ lacs, unless other wise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	23	16,246.46	19,759.49
Other income	24	62.00	124.69
Total income (A)		**16,308.46**	**19,884.18**
Expenses			
Cost of materials consumed	25	12,543.35	15,266.52
Change in inventories of finished goods and work-in-progress	26	124.93	161.17
Employee benefits expense	27	1,404.64	1,600.25
Finance costs	28	138.06	8.16
Depreciation expense	29	490.21	303.48
Other expenses	30	3,148.01	3,543.25
Total expenses (B)		**17,849.20**	**20,882.83**
Loss before exceptional items and tax		**(1,540.74)**	**(998.65)**
Exceptional items	31	-	-
Loss before tax		**(1,540.74)**	**(998.65)**
Tax expense:	32		
(a) Deferred tax		(380.26)	(268.70)
(b) Tax for earlier years		-	18.50
Total tax expenses		**(380.26)**	**(250.20)**
Loss after tax		**(1,160.48)**	**(748.45)**
Other comprehensive income (OCI)			
Items that will not be reclassified to Statement of Profit and Loss			
(i) Remeasurement benefit of defined benefit plans		(4.89)	49.74
(ii) Income tax expense on remeasurement benefit of defined benefit plans		(1.27)	13.65
Total other comprehensive income		**(3.62)**	**36.09**
Total comprehensive income for the year		**(1,164.10)**	**(712.36)**
Earnings per equity share:	33		
(a) Basic (₹)		(290.12)	(187.11)
(b) Diluted (₹)		(290.12)	(187.11)

The accompanying notes are integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vikram Dhanania
Partner
Membership No. 060568

Place: Kolkata
Date: 19 June 2020

For and on behalf of the Board of Directors of
Apricot Foods Private Limited

Sd/-

Rajesh Kumar Arunbhai Patel
Director
(DIN: 02089068)

Himanshu Khanna
Director
(DIN: 02558076)

Place: Kolkata
Date: 19 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Apricot Foods Private Limited
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in ₹ lacs, unless other wise stated)

	As at 31 March 2020	As at 31 March 2019
A) Equity share capital		
Balance at the beginning of the reporting year	40.00	40.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**40.00**	**40.00**

B) Other equity

	Reserves and surplus	Total
	Retained earnings	
Balance as at 1 April 2018	**4,508.04**	**4,508.04**
Loss for the year	(748.45)	(748.45)
Other comprehensive income (net of taxes)	36.09	36.09
Balance as at 31 March 2019	**3,795.68**	**3,795.68**
Loss for the year	(1,160.48)	(1,160.48)
Other comprehensive income (net of taxes)	(3.62)	(3.62)
Balance as at 31 March 2020	**2,631.58**	**2,631.58**

The accompanying notes are integral part of these financial statements.
This is the Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vikram Dhanania
Partner
Membership No. 060568

Place: Kolkata
Date: 19 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors of
Apricot Foods Private Limited

Sd/-

Rajesh Kumar Arunbhai Patel
Director
(DIN: 02089068)

Himanshu Khanna
Director
(DIN: 02558076)

Place: Kolkata
Date: 19 June 2020

Apricot Foods Private Limited
Cash Flow Statement for the year ended 31 March 2020
(All amounts in ₹ lacs, unless other wise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash flow from Operating activities		
Loss before tax	**(1,540.74)**	**(998.65)**
Adjustments for:		
Property, Plant & equipment written off due to fire	231.35	-
Inventories written off due to fire	405.53	-
Depreciation and amortisation expense	490.21	303.48
Gain on sale of property, plant and equipment	(3.70)	(8.45)
Gain on sale of financial assets measured at FVTPL	(0.33)	(37.31)
Net gain arising on financial assets measured at FVTPL	-	(18.02)
Finance costs	138.06	8.16
Interest income	(7.09)	(10.27)
Provision for doubtful debts/advances	20.18	17.79
Provision for inventories	-	107.39
Liabilities written back	(50.88)	36.14
Operating loss before working capital changes	**(317.40)**	**(599.74)**
Adjustments for changes in working capital:		
(Increase)/decrease in trade receivables	433.25	(386.05)
(Increase) in inventories	(278.08)	(0.42)
Decrease in other assets	19.87	138.18
Increase in provisions	35.39	34.75
(Increase) in other financial assets	(674.23)	-
Increase in trade payables	379.10	481.95
Increase/(decrease) in other financial liabilities	40.16	(58.87)
Increase/(decrease) in other current liabilities	69.46	202.78
Cash used in operating activities	**(292.49)**	**(187.42)**
Income tax paid (net of refunds)	(4.42)	(72.46)
Net cash used in operating activities	**(296.91)**	**(259.88)**
B Cash flow from Investing Activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(683.26)	(1,555.25)
Sale of property, plant and equipment	10.47	18.82
Purchase of investments	-	(443.00)
Sale of investments	264.28	1,899.32
(Investments in)/redemption of fixed deposits (net)	60.79	(44.91)
Interest received	7.09	10.27
Net cash used in investing activities	**(340.63)**	**(114.75)**
C Cash flow from financing activities (*)		
Proceeds from long-term borrowings (net)	91.15	-
Proceeds from short-term borrowings (net)	930.44	366.82
Principal payment of lease Liability	(247.18)	-
Interest paid on lease liability	(37.57)	-
Interest paid on loan	(100.49)	(8.16)
Net cash generated from financing activities	**636.35**	**358.66**
Net decrease in cash and cash equivalents	**(1.19)**	**(15.97)**
Cash and cash equivalents at the beginning of the period	27.10	43.07
Cash and cash equivalents at the end of the period	25.91	27.10

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Apricot Foods Private Limited
Cash Flow Statement for the year ended 31 March 2020
(All amounts in ₹ lacs, unless other wise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019

Notes:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flow'.
(*) Refer Note 17 for reconciliation of liabilities arising from financing activities

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents comprises of		
Cash on hand	2.08	3.90
Balances with banks in current accounts	23.83	23.20
Cash and cash equivalents (refer Note 11)	**25.91**	**27.10**

This is the Statement of Cash Flow referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vikram Dhanania
Partner
Membership No. 060568

Place: Kolkata
Date: 19 June 2020

For and on behalf of the Board of Directors of
Apricot Foods Private Limited

Sd/-

Rajesh Kumar Arunbhai Patel
Director
(DIN: 02089068)

Himanshu Khanna
Director
(DIN: 02558076)

Place: Kolkata
Date: 19 June 2020

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Apricot Foods Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless other wise stated)

Background

Apricot Foods Private Limited (the "Company") is a private limited Company domiciled in India registered under the Companies Act, 1956 and having its registered office at Plot No. 2410, G.I.D.C. Lodhika, Almighty Road, Metoda - 360021 Dist. Rajkot, Gujarat. The Company is engaged in the business of processing, manufacturing and sales of different types of Potato based Snacks, Extruded Snacks and Namkeen under the brand name "Evita". The Company has its manufacturing facilities at Metoda, Hyderabad, Kanpur and Raipur.

1 Significant accounting policies and key accounting estimates and judgements

1.1 Basis of preparation of financial statements

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, to the extent applicable.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements have been prepared and presented in Indian Rupees, which is also the Company's functional currency. All amounts in the financial statement and accompanying notes are presented in lacs and have been rounded off unless stated otherwise.

1.2 Current/Non-current classification

The Company presents all its assets and liabilities in the balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

1.3 Summary of significant accounting policies

(a) Property, plant and equipment

Measurement at recognition

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are added in the asset's carrying amount/recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of such item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of profit and loss in the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of profit and loss.

Capital work-in-progress and Capital advances

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of profit and loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(b) Lease accounting

Company as a lessor:

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor, except for recording the lease rent on systematic basis or straight-line basis as against Ind AS 17 wherein, there was an exemption for not providing straight lining in case the escalations are in line with inflation.

Company as a lessee:

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 01 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Company has lease contracts for various buildings. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as an operating lease.

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1.3 Summary of significant accounting policies (cont'd)

(b) Leases (cont'd)

Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis, (no straight lining was done in case escalations were considered to be in line with expected general inflation), over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases are recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company has applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
• Relied on its assessment of whether leases are onerous immediately before the date of initial application.
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
• Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(c) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of profit and loss.

(d) Revenue

A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer.

To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, the Company measures the non-cash consideration (or promise of non-cash consideration) at fair value.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.
For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time

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1.3 Summary of significant accounting policies (cont'd)

(d) Revenue (cont'd)

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

For each performance obligation satisfied over time, the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction is measured using appropriate methods which include input and output methods.
Once the recognition criteria is met, revenue is measured at the amount of the transaction price (which excludes estimates of variable consideration that are constrained) that is allocated to that performance obligation.

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, as a practical expedient, the incremental costs of obtaining a contract are recognized as an expense when incurred if the amortisation period of the asset otherwise would have been one year or less.

The costs to fulfil a contract are recognized as an asset if the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

The asset recognized for costs to obtain a contract and costs to fulfil a contract is amortised on a systematic basis that is consistent with transfer to the customer of the goods or services to which the asset relates.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable.

(e) Inventory

Raw materials, work-in-progress, finished goods and packing materials are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials and packing materials, FIFO method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods.

(f) Financial instruments

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

Financial assets

Initial recognition and measurement:

The Company recognizes a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in case of financial assets not recorded through fair value through profit and loss (FVTPL), transaction cost that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and
ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

1) financial assets measured at amortised cost.
2) financial assets measured at fair value through profit and loss.

<u>1) Financial assets measured at amortised cost</u>

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
b) 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.

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1.3 Summary of significant accounting policies (cont'd)

(f) Financial instruments (cont'd)

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of profit and loss.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of profit and loss.

2) Financial assets measured at fair value through profit and loss (FVTPL)

Financial assets measured at fair value through profit and loss category are measured initially as well as at each reporting period at fair value. Fair value movements are recorded in Statement of profit and loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the Statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of 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 the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

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1.3 Summary of significant accounting policies (cont'd)

Financial liabilities

Initial recognition and measurement

The Company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Classification and subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of profit and loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(g) Foreign currency translation

Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss.

Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of profit and loss.

(h) Taxation

Tax expense recognized in Statement of profit or loss comprises the sum of deferred tax and current tax except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income-tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income-tax Act, 1961. Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

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1.3 Summary of significant accounting policies (cont'd)

(i) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.
If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(j) Cash and cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

(k) Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post employment benefits

Defined Contribution plans:

The Company provides defined contribution plans for post-employment benefits in the form of provident fund administered by Regional Provident Fund Commissioner. The Company's contributions to defined contribution plans are charged to the Statement of profit and loss as and when incurred. Provident fund are classified as defined contribution plans as the Company has no further obligation beyond making the contributions, even if the assets of the fund is not enough to pay all the employee benefits.

Defined Benefit plans:

(i) Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised 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 financial statements. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of profit and loss as past service cost.

Other employee benefits

Entitlements to annual leave are recognized when they accrue to employees. The accumulated balance of annual leave at the end of the reporting period is paid to the employees in the subsequent month. The Company determines the liability for such accumulated leaves on the basis of the last drawn salary and leave balance to the credit of the employee which would be encashed in the subsequent month.

(l) 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 capitalized as part of the costs of asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in a single business segment (primary segment) of fast moving consumer goods dealing with packaged food products. The entire revenues are billable within India and there is only one geographical segment (secondary segment).

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1.3 Summary of significant accounting policies (cont'd)

(n) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(o) Earnings per equity share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change in the resources. For the purpose of calculating diluted earnings per share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet date, the Company has no dilutive potential equity shares.

(p) Fair value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(q) Cash Flow Statement

Cash Flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals and accruals of past or future operating cash receipts and payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

1.4 Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

<u>Critical accounting estimates and assumptions</u>

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

<u>a. Income taxes</u>

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions [Refer Note 32].

<u>b. Property, plant and equipment</u>

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

<u>c. Depreciation</u>

The Company has changed the method of depreciation for Property, Plant and Equipment from Written Down Value Method to Straight Line Method from 1st July 2019. This change is a change in an accounting estimate as specified under Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", the effect of which is to be recognised prospectively.

This change did not have any significant impact on the overall results of the Company.

<u>d. Defined benefit obligation:</u>

The costs of post-employment benefits are charged to the Statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 27, 'Employee benefits'.

<u>e. Fair value measurement of Financial Instruments</u>

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

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2 Property, plant and equipment

	Land	Buildings	Electrical Installation Equipments	Plant and equipment	Furniture and fixtures	Computer and data processing units	Office equipment	Vehicles	Total
Gross block									
Deemed cost as at 1 April 2018	286.11	455.89	-	2,423.43	9.41	18.69	148.08	219.88	3,561.49
Additions	-	8.59	-	205.56	7.83	8.02	13.27	6.41	249.68
Disposals/adjustments	1.61	-	-	14.03	-	-	0.27	36.78	52.69
Balance as at 31 March 2019	284.50	464.48	-	2,614.96	17.24	26.71	161.08	189.51	3,758.48
Additions	-	884.16	56.98	995.48	2.20	0.43	3.03	187.90	2,130.18
Loss by fire (refer note 31)	-	-	-	370.02	17.18	14.14	92.11	-	493.45
Disposals/adjustments	2.41	-	-	-	-	-	-	6.41	8.82
Balance as at 31 March 2020	282.09	1,348.64	56.98	3,240.42	2.26	13.00	72.00	371.00	5,386.39
Accumulated depreciation									
Balance as at 1 April 2018	-	184.60		1,570.48	5.70	12.16	121.39	131.86	2,026.29
Depreciation charge for the year		28.12		224.01	1.88	6.59	15.22	27.66	303.48
Disposals/adjustments		-		11.48	-	-	0.03	29.20	40.71
Balance as at 31 March 2019	-	212.72	-	1,783.01	7.58	18.95	136.48	130.32	2,289.06
Depreciation charge for the year		22.64	1.32	157.61	1.67	3.42	12.23	29.89	228.78
Loss by fire (refer note 31)	-	-	-	155.27	9.17	13.41	84.23	-	262.08
Disposals/adjustments	-	-	-	-	-	-	-	2.04	2.04
Balance as at 31 March 2020	-	235.36	1.32	1,785.35	0.08	8.96	64.48	158.17	2,253.72
Net block									
Balance as at 31 March 2019	284.50	251.76	-	831.95	9.66	7.76	24.60	59.19	1,469.42
Balance as at 31 March 2020	282.09	1,113.28	55.66	1,455.07	2.18	4.04	7.52	212.83	3,132.67

For contractual obligations, refer Note 40(b) for disclosure of capital commitments for acquisition of property, plant and equipment.

	As at 31 March 2020	As at 31 March 2019
3 Capital work in progress		
Balance at the beginning of the year	1,375.38	18.79
Add: Additions during the year	271.37	1363.74
Less: Capitalised during the year	(1,618.20)	(7.15)
Less: Loss due to fire (refer note 31)	(28.55)	-
Balance at the end of the year	-	1,375.38

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4 Right-to-use assets	As at 31 March 2020
Cost as at 31 March 2019	-
Add: Adjustments due to adoption of Ind AS 116	618.15
Transfer from Property, plant & equipment	-
Balance as at 1 April 2019	**618.15**
Addition during the year	50.95
Adjustments during the year	(241.74)
Balance as at 31 March 2020	**427.36**
Accumulated Depreciation as on 1 April 2019	-
Transfer from Property, plant & equipment	-
Depreciation for the year	261.43
Adjustment during the year	(83.34)
	178.09
Net carrying value as on 1 April 2019	-
Net carrying value as on 31 March 2020	**249.27**

Notes:

(a) On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases which has replaced Ind-AS 17 "Leases". Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as right of use of the leased assets or together with property, plant and equipment. The new standard grossed up balance sheets and change income statement and cash flow presentation. Rent expense is replaced by depreciation and interest expense in the income statement. De-recognition of operating lease charges and recognition of depreciation and finance costs has positively impacted EBIDTA by ₹ 299 lacs and positively impacted the loss before tax by ₹ 14.25 lacs.

(b) There were no impacts on retained earnings upon adoption of Ind AS 116.

(c) The maturity of the lease liabilities (net of Interest) as of 31 March 2020, is as follows:

Particulars	0-1 years	1-2 years	2-3 years	More than 3 years	Total
Maturities of finance lease obligation	191.38	64.51	7.63	-	**263.52**

(d) **Total cash outflows for leases included:**

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
(a) Total cash outflow for lease payments	284.75	-

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	As at 31 March 2020	As at 31 March 2019
5 Deferred tax assets (net)		
Deferred tax asset arising on account of:		
Property, plant and equipment - depreciation	51.40	71.69
Employee benefits	18.87	0.72
Provisions for advances	14.13	8.72
Provision for inventory	6.67	29.88
Unabsorbed losses	605.63	214.14
Rental expenses	3.70	-
	700.41	325.15
Deferred tax liability arising on account of:		
Financial assets at fair value through profit or loss - Mutual Funds	-	6.27
	-	6.27
Total Deferred tax assets (net)	**700.41**	**318.88**

Movement in deferred tax assets (net)

Particulars	1 April 2019	Recognized in other comprehensive income	Recognized in profit or loss	31 March 2020
Assets				
Property, plant and equipment - depreciation	71.69	-	(20.29)	51.40
Employee benefits	0.72	1.27	16.88	18.87
Provisions for advances	8.72	-	5.41	14.13
Provisions for inventory	29.88	-	(23.21)	6.67
Unabsorbed losses	214.14	-	391.49	605.63
Rental expenses	-	-	3.70	3.70
Liabilities				
Financial assets at fair value through profit or loss - Mutual Funds	6.27	-	(6.27)	-
Total	**318.88**	**1.27**	**380.26**	**700.41**

	As at 31 March 2020	As at 31 March 2019
6 Non-current tax assets (net)		
Income tax paid (net of provisions)	18.54	94.32
	18.54	**94.32**

7 Other assets		
Unsecured considered good, unless otherwise stated		
(A) Non-current		
Capital advances considered good	7.35	142.25
Capital advances credit impaired	13.57	13.57
Security and other deposits	30.86	59.16
	51.78	**214.98**
Less: Provision for doubtful advances	13.57	13.57
	38.21	**201.41**
(B) Current:		
Advance to suppliers	18.64	12.48
Other advances	16.86	50.91
Prepaid expenses	8.61	16.82
Balances with Statutory Authorities	44.53	-
	88.64	**80.21**

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	As at 31 March 2020	As at 31 March 2019
8 Inventories		
(valued at lower of cost and net realizable value)		
Raw materials	488.97	497.51
Work-in-progress	22.59	17.40
Finished goods	163.93	290.04
Packing materials	173.54	253.27
	849.03	**1,058.22**
Less: Provision for slow moving and obsolete inventories	(25.65)	(107.39)
	823.38	**950.83**
(a) Movement in Provision for slow moving and obsolete inventories		
Opening balance	107.39	-
Add: Provision made during the year	-	107.39
Less: Provision reversed during the year	(81.74)	-
Closing balance	**25.65**	**107.39**

(b) During the year ended 31st March 2020, ₹ 405.53 lacs worth of inventory has been destroyed by fire (refer note 31).

	As at 31 March 2020	As at 31 March 2019
9 Investments		
Current investments (unquoted)		
In units of Mutual Fund (carried at FVTPL)		
Axis Strategic Bond Fund (Growth) (Nil units; 31 March 2019 - 1,451,708 units of ₹ 10 each)	-	263.95
	-	**263.95**
Aggregate amount of unquoted investments (carried at FVTPL)	-	**263.95**
10 Trade receivables		
Trade receivables considered good - unsecured	276.33	729.76
Trade receivables - credit impaired	37.97	17.79
	314.30	747.55
Less: Allowance for credit losses	(37.97)	(17.79)
	276.33	**729.76**
11 Cash and cash equivalents		
Balances with banks		
- In current accounts	23.83	23.20
Cash on hand	2.08	3.90
	25.91	**27.10**
12 Other bank balances		
Bank deposits having remaining maturity for more than 3 months but less than 12 months	-	60.79
	-	**60.79**
13 Other financial assets		
Recoverable from insurance company (refer note 31)	674.23	-
	674.23	-
14 Current tax assets (net)		
Income tax refundable	215.53	135.30
	215.53	**135.30**

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	As at 31 March 2020		As at 31 March 2019	
15 Equity share capital	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹ 10 each	400,000	40.00	400,000	40.00
	400,000	**40.00**	**400,000**	**40.00**
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	400,000	40.00	400,000	40.00
	400,000	**40.00**	**400,000**	**40.00**

(a) Reconciliation of equity share capital

There is no movement in the equity share capital during the current and comparative periods.

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

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

	As at 31 March 2020		As at 31 March 2019	
Equity shares of ₹ 10 each:	Number	Percentage	Number	Percentage
Guiltfree Industries Limited	280,000	70%	280,000	70%
Rajesh Kumar Arunbhai Patel	63,000	16%	63,000	16%
Anjanaben Rajesh Patel	44,000	11%	44,000	11%
Rajesh Arun Patel (HUF)	13,000	3%	13,000	3%

(e) Details of equity shares held by the Holding Company:

Name of the Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Holding %	No. of shares	Holding %
Guiltfree Industries Limited	280,000	70%	280,000	70%

	As at 31 March 2020	As at 31 March 2019
16 Other equity		
Reserves and surplus		
Retained earnings [refer (a) below]	2,631.58	3,795.68
	2,631.58	**3,795.68**

(a) Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Retained earnings		
Surplus at the beginning of the year	3,795.68	4,508.04
Add: Loss for the year	(1,160.48)	(748.45)
Less: Items that will not be reclassified to Statement of profit or loss		
Remeasurement benefit of defined benefit plan (net of tax)	(3.62)	36.09
	2,631.58	**3,795.68**

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(All amounts in ₹ lacs, unless other wise stated)

	As at 31 March 2020	As at 31 March 2019
17 Borrowings		
(A) Non-current		
Term loan (secured)		
Vehicle loans from a bank	157.25	-
Less Current maturity of non-current borrowings (refer note 21)	66.10	-
	91.15	**-**

Terms and conditions:

(a) Vehicle loans from a bank are secured by way of hypothecations of vehicles financed there against. The loans carry interest @ 9.01 % p.a. and are repayable in 36 equated monthly instalments starting from 20 June 2019 in respect of three loans and from 1 July 2019 in respect of one loan.

	As at 31 March 2020	As at 31 March 2019
(B) Current		
Loans repayable on demand		
Working capital loan from a bank (secured)	1,091.16	366.82
Unsecured loans from related parties (refer note 37)	140.00	-
	1,231.16	**366.82**

Terms and conditions:

(a) Working capital facility from a bank is secured by first pari-passu charge on the entire current assets of the Company and is repayable on demand. The facility carries an interest rate of 9.65 % p.a.

(b) Unsecured loan from Holding Company is repayable on demand and carries an interest rate of 10.25% p.a.

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from the financing activities can be classified as follows:

Particulars	Amount
1 April 2019	**366.82**
Cash flows:	
- Repayment	**18,193.80**
- Proceeds	**19,219.03**
31 March 2020	**1,392.05**

	As at 31 March 2020	As at 31 March 2019
18 Finance lease obligation		
(A) Non- current		
Lease liabilities	72.14	-
	72.14	**-**
(B) Current		
Lease liabilities	191.38	-
	191.38	**-**

Note:

Refer note 4 for disclosures as per Ind AS 116.

	As at 31 March 2020	As at 31 March 2019
19 Provisions		
(A) Non-current		
Provision for employee benefits (refer note 27)		
- Compensated absences	33.01	16.02
	33.01	**16.02**
(B) Current		
Provision for employee benefits (refer note 27)		
-Gratuity	36.33	14.63
- Compensated absences	3.26	1.67
	39.59	**16.30**
20 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 39)	709.96	393.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	492.73	430.29
	1,202.69	**823.59**

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	As at 31 March 2020	As at 31 March 2019
21 Other financial liabilities		
Current maturities of non-current borrowings (refer note 18)	66.10	-
Interest accrued and due	3.64	-
Employees dues	217.02	131.65
Trade deposits from dealers/ distributors	17.00	21.55
Other payables	151.42	246.60
Capital creditors	35.31	98.67
	490.49	**498.47**

	As at 31 March 2020	As at 31 March 2019
22 Other current liabilities		
Advance from customers	155.57	54.81
Statutory dues	64.36	95.66
	219.93	**150.47**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless other wise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
23	**Revenue from operations**		
	Sale of products	16,246.46	19,759.49
		16,246.46	**19,759.49**
24	**Other income**		
	Interest income on deposits and others	7.09	10.27
	Interest on income tax refund	-	14.50
	Gain on sale of financial assets measured at FVTPL	0.33	37.31
	Net gain arising on financial assets measured at FVTPL	-	18.02
	Gain on sale of plant, property and equipment	3.70	8.45
	Liabilities written back	50.88	36.14
		62.00	**124.69**
25	**Cost of materials consumed**		
	Raw materials consumed		
	Opening Stock	496.92	311.80
	Add: Purchases	9,055.16	10,888.36
		9,552.08	11,200.16
	Less: Closing Stock (net of provisions)	485.61	496.92
		9,066.47	10,703.24
	Packing materials consumed		
	Opening Stock	146.66	277.59
	Add: Purchases	3,485.68	4,432.35
		3,632.34	4,709.94
	Less: Closing Stock (net of provisions)	155.46	146.66
		3,476.88	4,563.28
	Total cost of materials consumed	**12,543.35**	**15,266.52**
26	**Changes in inventories of finished goods and work-in-progress**		
	Stock at the beginning of the year		
	Finished goods	289.84	452.64
	Work-in-progress	17.40	15.77
		307.24	468.41
	Stock at the end of the year		
	Finished goods (net of provisions)	160.23	289.84
	Work-in-progress	22.08	17.40
		182.31	307.24
	Changes in inventories of finished goods and work-in-progress	**124.93**	**161.17**
27	**Employee benefits expense**		
	Salaries and wages	1,319.17	1,499.22
	Contribution to provident and other funds	70.71	80.36
	Staff welfare expenses	14.76	20.67
		1,404.64	**1,600.25**

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(All amounts in ₹ lacs, unless other wise stated)

27 Employee benefits expense (cont'd)

(a) Defined contribution plans:

Eligible employees of the Company receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to Statement of profit and loss in the period in which they are incurred;

	Year ended 31 March 2020	Year ended 31 March 2019
Employer's contribution to Provident fund	62.47	66.39

(b) Defined benefit plans:

Gratuity is a post employment benefit and is a defined benefit plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The liability recognised in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the Projected Unit Credit Method. Actuarial gains and losses are credited/ charged to the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

The following table summarises the components of defined benefit expense recognized in the Statement of profit and loss/Other Comprehensive Income ('OCI') and the funded status and amounts recognised in the Balance Sheet for the respective plans:

	Year ended 31 March 2020	Year ended 31 March 2019
(i) Change in present value of the defined benefit obligation:		
Obligations at the beginning of the year	24.49	49.71
Current service cost	17.62	20.63
Interest cost	1.90	3.88
Actuarial (gain)/loss arising from assumption changes	4.48	0.10
Actuarial (gain)/loss arising from experience adjustments	(1.67)	(49.83)
Benefit Paid from the fund	(7.41)	-
Obligations at the end of the year	**39.42**	**24.49**
(ii) Change in fair value of plan assets:		
Obligations at the beginning of the year	9.87	2.40
Interest Income on Plan Assets	0.77	0.19
Contribution by employer	1.95	7.93
Expected return on plan assets		-
Actuarial (gains) / loss	(2.09)	(0.65)
Benefit Paid from the fund	(7.41)	-
Fair value of plan assets as at the end of the year	**3.09**	**9.87**
(iii) Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
Present value obligation as at the end of the year	39.42	24.49
Fair value of plan assets as at the end of the year	3.09	9.87
Net liabilities recognized in balance sheet	**36.32**	**14.62**
(iv) Components of net cost charged to the Statement of Profit and Loss		
Employee benefit expenses:		
Service cost	17.62	20.63
Finance costs		
- Interest costs	1.90	3.88
- Interest income	(0.77)	(0.19)
Net impact on profit before tax	**18.76**	**24.32**
(v) Components Remeasurement losses / (gains) in other comprehensive income		
Actuarial (gain)/loss arising from assumption changes	6.57	0.75
Actuarial (gain)/loss arising from experience adjustments	(1.67)	(49.83)
Remeasurement losses / (gains) in other comprehensive income	**4.89**	**(49.08)**

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27 Employee benefits expense (cont'd)

(b) Defined benefit plans (cont'd)

(vi) Assumptions used

With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at Balance Sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.

	Year ended 31 March 2020	Year ended 31 March 2019
Discount rate (per annum)	6.84%	7.77%
Expected rate of return on plan assets	6.84%	7.77%
Salary escalation rate (per annum)	5.00%	5.00%
Withdrawal rate (per annum)	For Officer category 2% p.a. & for Workers category 15% p.a.	
Expected average remaining working lives of employees (years)	14	14
Mortality	IALM(2006-08) Ultimate table	IALM(2006-08) Ultimate table

(vii) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Discount rate - Decrease by 1%	5.77	3.53
Discount rate - Increase by 1%	4.78	2.92
Salary escalation rate - Decrease by 1%	(4.90)	(3.02)
Salary escalation rate - Increase by 1%	5.82	3.59
Employee turnover rate - Increase by 1%	0.10	0.26
Employee turnover rate - Decrease by 1%	0.25	(0.40)

Methods and assumptions used in preparing sensitivity analysis and their limitations:

The sensitivity analysis presented above may not be representative of the actual change in the defined 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 defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

(viii) Maturity analysis of the benefit payments:

Weighted average duration of both gratuity plan is 8 years. Expected benefits payments for each such plans over the years is given in table below:

Particulars	Gratuity (funded)	
	As at 31 March 2020	As at 31 March 2019
Year 1	1.66	1.05
Year 2	0.49	0.44
Year 3	0.73	0.76
Year 4	1.27	1.63
Year 5	1.52	6.44
Next 5 years	9.77	54.42

Expected employer contribution in Gratuity plan for the year ending 31 March 2020 is ₹ 32.26 lacs (31 March, 2019: ₹ 67.96 lacs)

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(All amounts in ₹ lacs, unless other wise stated)

27 Employee benefits expense (cont'd)

(e) Aforesaid defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

	Year ended 31 March 2020	Year ended 31 March 2019
28 Finance cost		
Interest on Loan	99.60	4.16
Other borrowing costs	0.89	4.00
Interest expense on lease liability	37.57	-
	138.06	**8.16**
29 Depreciation expenses		
Depreciation on tangible assets	228.78	303.48
Depreciation on right-of-use assets	261.43	-
	490.21	**303.48**
30 Other expenses		
Power and fuel	522.84	572.61
Factory expenses	90.62	107.47
Freight outward charges	1,167.62	1,623.27
Job work expenses	197.04	87.46
Contractual employee expenses	505.26	387.65
Repairs and maintenance:	-	
Buildings	5.46	9.78
Plant and machinery	87.77	83.38
Others	1.29	4.95
Advertisement and publicity expenses	-	17.66
Corporate social responsibility expense	-	0.37
Rent	11.42	39.62
Rates and taxes	87.81	58.62
Insurance	27.76	24.59
Travelling and conveyance expenses	162.33	187.04
Sales promotion expenses	160.24	188.13
Commission on sales	33.12	40.42
Legal and professional expenses [refer note (a) below]	30.43	73.67
Provision for doubtful debts/advances	20.18	17.79
Bad debts written off	2.80	-
Miscellaneous expenses	34.02	18.77
	3,148.01	**3,543.25**
(a) Payment to auditors		
Statutory audit	8.50	8.50
Tax audit	1.50	1.50
Other services	4.50	7.50
Reimbursement of expenses	0.50	0.50
	15.00	**18.00**

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31 Pursuant to a fire incident on 17 March 2020 in one of the manufacturing facilities of the Company certain property, plant and equipment and inventories were damaged. The Company lodged an initial estimate of loss with the insurance company and the survey is currently ongoing. During the year ended 31 March 2020, the Company has written off the net book value of these assets aggregating to ₹ 674.23 lacs and recognized a minimum insurance claim receivable for an equivalent amount on a net basis under exceptional items in these financial statements.

	Year ended 31 March 2020	Year ended 31 March 2019
32 Tax expenses		
Current tax	-	-
Deferred tax	(380.26)	(268.70)
	(380.26)	**(268.70)**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 26% (31 March 2019 - 27.82%) and the reported tax expense in profit or loss are as follows:

(a) Reconciliation of income tax provision to the amount computed by applying the statutory tax rate:

Loss before tax	(1,540.74)	(998.65)
Enacted tax rates in India (%)	26.00%	27.82%
Computed expected tax expense	(400.59)	(277.82)
Effect due to non-deductible expenses	(0.55)	(1.52)
Impact due to change in tax rates	20.88	10.64
Income tax expense	**(380.26)**	**(268.70)**

	As at 31 March 2020	As at 31 March 2019
(b) Details of income tax assets		
Non-current:		
Advance tax paid	-	384.32
Provision for taxes	-	(290.00)
	-	**94.32**
Current:		
Income tax assets	215.53	135.30
	215.53	**135.30**
Net income tax assets	**215.53**	**229.62**

	Year ended 31 March 2020	Year ended 31 March 2019
33 Earnings per equity share		
Net profit/(loss) attributable to equity shareholders:		
Net loss for the year	(1,160.48)	(748.45)
Nominal value of equity share (₹)	10	10
Weighted average number of equity shares outstanding	400,000	400,000
Basic earnings per share	(290.12)	(187.11)
Diluted earnings per share	(290.12)	(187.11)
34 Details of Corporate Social Responsibility ('CSR') expenditure		
Gross amount required to be spent by the Company during the year	2.84	16.73
Amount spent during the year		
- Construction/acquisition of any assets	-	0.37
- Purposes other than above	-	-
Amount accrued but not paid during the year	-	-

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(All amounts in ₹ lacs, unless other wise stated)

35 Fair value measurement

(a) Category-wise classification of financial instruments

Particulars	Note	Non-Current As at 31 March 2020	Non-Current As at 31 March 2019	Current As at 31 March 2020	Current As at 31 March 2019
Financial assets measured at fair value through profit or loss (FVTPL)					
Investment in mutual funds	5	-	-	-	263.95
		-	-	-	**263.95**
Financial assets measured at amortised cost					
Trade receivables	10	-	-	276.33	729.76
Cash and cash equivalents	11	-	-	25.91	27.10
Other balances with banks	12	-	-	-	60.79
		-	-	**302.24**	**817.65**
Total financial assets		-	-	**302.24**	**1,081.60**
Financial liabilities measured at amortised cost					
Loans repayable on demand - working capital loans	17	-	-	1,231.16	366.82
Trade payables	20	-	-	1,202.69	823.59
Employee payables	21	-	-	217.02	131.65
Trade deposits from dealers/distributors	21	-	-	17.00	21.55
Total financial liabilities		-	-	**2,667.87**	**1,343.61**

(b) Fair value measurement hierarchy

The fair value measurement hierarchy of the Company's financial assets and liabilities are as follows:

	Level	As at 31 March 2020	As at 31 March 2019
(i) Financial assets measured at fair value through profit or loss			
Investment in unquoted mutual funds	Level 1	-	263.95

There are no other financial assets or financial liabilities of the Company which have been measured at fair value other than investment in unquoted mutual funds which falls under Level 1 (Quoted prices in active markets) fair value hierarchy. Accordingly, there are no reportable disclosures under Level 2 (significant observable inputs) and Level 3 (significant unobservable inputs) fair value hierarchy respectively

(ii) Financial Instrument measured at Amortised Cost

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 Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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(All amounts in ₹ lacs, unless other wise stated)

35 Fair value measurement (cont'd)

(c) Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is set by the Board of Directors. The Company's activities may expose it to a variety of risks such as Credit Risk, Liquidity Risk and Market Risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

(i) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as cash and bank balances, trade receivables, investment in mutual funds and other receivables. The financial assets carried by the Company is summarised above in note (a).

Trade receivables are usually due within 30-60 days. 58% of the total trade receivables of the Company are due within 30 days as at 31 March 2020. Generally and by practice most customers enjoy a credit period of approximately 30-60 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

The Company continuously monitors defaults of customers and other counter parties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's management considers that all the above financial assets that are not impaired for each of the reporting dates and are of good credit quality, including those that are past due. None of the Company's financial assets are secured by collateral or other credit enhancements.

In respect of trade and other receivables, the Company's credit risk exposure towards any single counter party or any group of counter parties having similar characteristics is considered to be negligible. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counter parties are reputable banks/mutual fund houses with high quality external credit ratings.

The movement of the expected loss allowance for bad and doubtful debts made by the Company are as under:

Particulars	Expected credit loss provision As at 31 March 2020	As at 31 March 2019
Opening balance	(17.79)	-
Add: Provisions made during the year (net of reversals)	(20.18)	(17.79)
Less: Utilisation for impairment/de-recognition	-	-
Closing balance	**(37.97)**	**(17.79)**

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

As at 31 March 2020, the Company's liabilities have contractual maturities which are summarised below:

	Current	Non-current		Total
	Within 1 year	1 to 5 years	more than 5 years	
Borrowings	1,231.16	91.15	-	**1,322.31**
Finance lease obligations	191.38	72.14	-	**263.52**
Trade payables	1,202.69	-	-	**1,202.69**
Financial liabilities	490.49	-	-	**490.49**
Total	**3,115.72**	**163.29**	-	**3,279.01**

(e) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

The Company can be exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. During the previous year there is no mismatch between the currencies hence Company is not exposed any currency risk.

(ii) Price risk

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

(f) Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to shareholders through the optimization of debt and equity balance. The Company has no outstanding debt. The Board of Directors review the capital structure of the Company on need basis. As part of this review boards evaluates the leverage in Company and assessment of cost of capital.

36 Information about major customer

During the financial year ended 31 March 2020, revenue of approximately 14% (31 March 2019: 19%) is derived from one external customer.

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(All amounts in ₹ lacs, unless other wise stated)

37 Related party disclosures

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2020.

(a) List of related parties

(i) Parent Company

Name of the Company	Principal place of business	Percentage of holding as on: 31 March 2020	31 March 2019
Guiltfree Industries Limited (Holding Company)	India	70%	70%

(ii) Entity under common control
CESC Ltd

(iii) Key management personnel

Name of the person	Designation
Rajesh Kumar Arunbhai Patel	Executive Director
Arvind Kumar Vats	Director (Joined with effect from 06 January 2020)
Srikanth Ramachandra Murthy Gopishetty	Director
Himanshu Khanna	Director
Khalil Ahmad Siddiqi	Independent Director
Noshir Naval Framjee	Independent Director

(b) Transactions with related parties

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Loan taken		
Guiltfree Industries Limited	98.00	-
Rajesh Kumar Arunbhai Patel	42.00	-
Interest on loan		
Guiltfree Industries Limited	2.83	-
Rajesh Kumar Arunbhai Patel	1.21	-
Expenses		
CESC Limited	0.76	-
Remuneration to Director:		
Rajesh Kumar Arunbhai Patel	150.00	150.00

(c) Balances with related parties

Particulars	As at 31 March 2020	As at 31 March 2019
Year end payables		
Rajesh Kumar Arunbhai Patel	141.52	-
CESC Limited	0.90	-
Guiltfree Industries Limited	100.55	-

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(All amounts in ₹ lacs, unless other wise stated)

38 Impact of Covid-19 pandemic

Covid-19, a global pandemic has affected the world economy including India, leading to significant decline in economic activities. The Company's operations were temporarily disrupted at its manufacturing and distribution locations. The Company intermittently was impacted by loss of production and revenue due to the lockdown and unavailability of its workforce, though the same is not likely to have a continuing impact on the business of the Company. It is primarily engaged in the manufacturing and trading of snack foods namely, potato chips, savoury snacks and pellet based RTE (Ready-to-eat) snacks and as per guidelines announced by the Ministry of Home Affairs and the Gujarat State Government authorities, the Company was allowed to resume operations, being in the essential services sector.

The Company, to the extent possible, has considered the risks that may result from the uncertainty relating to Covid-19 pandemic and its impact on the carrying amounts of trade receivables and other assets. Based on the analysis of the current indicators of the future economic condition on its business and the estimates used in its financial statements, the Management does not foresee any material impact in the recoverability of the carrying value of the assets. The risk assessment is a continuous process and the Company will continue to monitor the impact of the changes in future economic conditions on its business.

39 Dues to micro, small and medium enterprises

The dues to micro, small and medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

Particulars	As at 31 March 2020	As at 31 March 2019
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	112.48	42.60
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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(All amounts in ₹ lacs, unless other wise stated)

40 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debts:		
Income tax demand for assessment year 2014-15 for non-deduction of tax at source	68.84	68.84

Note:
The above matters are lying at appellate forum and the management is confident of succeeding in all these matters based on legal precedences and expert opinions.

(b) Commitments

	As at 31 March 2020	As at 31 March 2019
are:		
- Capital commitments for property, plant and equipments (net of advances given)	-	469.06
Bank guarantees issued by bankers and outstanding as at year end	47.75	57.00

41 The financial statements are approved for issue by the Board of Directors in its meeting, held on 19 June 2020.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vikram Dhanania
Partner
Membership No. 060568
Place: Kolkata
Date: 19 June 2020

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors of
Apricot Foods Private Limited

Rajesh Kumar Arunbhai Patel
Director
(DIN: 02089068)
Place: Kolkata
Date: 19 June 2020

Sd/-

Himanshu Khanna
Director
(DIN: 02558076)