

Pareesh Mehta

B.Com (Hons.), F.C.A.



P. C. MEHTA & CO.
CHARTERED ACCOUNTANTS

A-502, Bhakti Appartments,
Jambli Galli, opp. Jain Temple,
Borivali (West), Mumbai – 400 092
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INDEPENDENT AUDITOR'S REPORT

To the Members of
SHME Food Brands Private Limited
Mumbai

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **SHME Food Brands Private Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

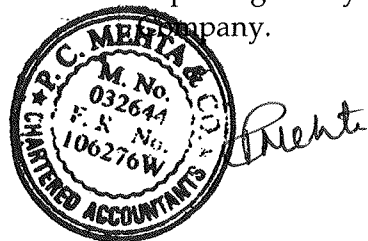
Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made 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 on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 are not applicable to the Company as it is an Unlisted Company.



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Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management for the Standalone Financial Statements

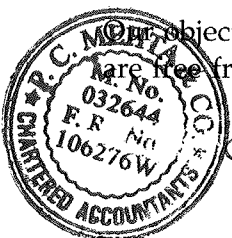
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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



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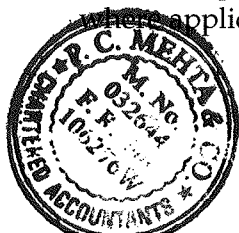
that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



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- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company}.

For M/s P.C. Mehta & Co.
Chartered Accountants
Firm No. 106276W

Paresh C. Mehta

CA. Paresh C. Mehta
(Proprietor)
Membership No. 032644

Date: April 30, 2019
Place: Mumbai



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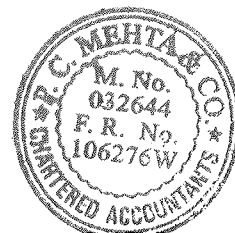
Annexure A referred to in Report on Other Legal and Regulatory Requirements Paragraph of Independent Auditor's report of even date to the members of SHME Food Brands Private Limited on the accounts for the year ended March 31, 2019

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i) The company does not have any fixed assets and accordingly the provisions of the clause (3)(i) pertaining to Fixed Assets is not applicable.
- ii) The company does not have any inventory and accordingly the provisions of the clause (3)(ii) pertaining to Inventory is not applicable.
- iii) Based on the audit procedures applied by us and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to the firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (3) (iii) (a), (b) and (c) are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act.
- v) In our opinion and according to the information and explanation given to us the Company has not accepted any deposit from public within the provision of section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi) As informed to us by management, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of services rendered by the company.
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company is regular in depositing undisputed statutory dues with the appropriate authorities including Income tax, cess or any other statutory dues. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues payable in respect of any Goods and Services Tax or any other direct or indirect tax which have not been deposited on account of any disputes.
- viii) On the basis of verification of records and according to the information and explanations given to us and based on the records made available to us, the Company has no loans from Financial Institutions or from the Bank and has not issued Debentures. Accordingly the provisions of this clause (3)(viii) are not applicable.

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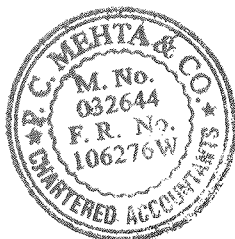
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- ix) On the basis of verification of records and according to the information and explanations given to us and based on the records made available to us, the company has not raised any money by way of initial public offer or further public offer or by way of term loans. Accordingly the provisions of the clause (3)(ix) are not applicable.
- x) Based upon the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on the examinations of the records of the company, no managerial remuneration has been paid/ provided and accordingly the provisions of the clause (3)(xi) are not applicable.
- xii) The company is not a Nidhi Company. Accordingly, the provisions of clause (xii) of Para 3 of the order are not applicable to the company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and Section 177 of Companies Act, 2013, if applicable, and the details of such transactions have been disclosed in the Financial Statements as required by the accounting standards and Companies Act, 2013.
- xiv) On the basis of verification of records and according to the information and explanations given to us and based on the records made available to us, the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
- xv) In our opinion and according to the information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For M/s P.C. Mehta & Co.
Chartered Accountants
Firm No. 106276W

CA. Paresh C. Mehta
(Proprietor)
Membership No. 032644



Date: April 30, 2019
Place: Mumbai

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Annexure B to the Independent Auditor's Report of even date on the Financial Statements of SHME Food Brands Private Limited

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

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

Management's Responsibility for Internal Financial Controls

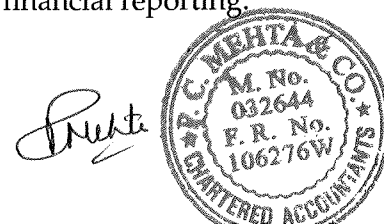
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditor's Responsibility

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

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

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



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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

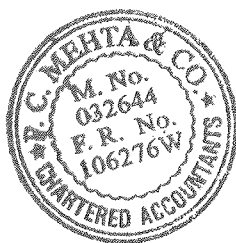
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s P.C. Mehta & Co.
Chartered Accountants
Firm No. 106276W

CA. Paresh C. Mehta
(Proprietor)
Membership No. 032644



Date: April 30, 2019
Place: Mumbai

SHME FOOD BRANDS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2019

(Amount in ₹)

	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
1. Non-Current Assets				
Property, Plant and Equipment		-	-	-
Capital Work-in-Progress		-	-	-
Intangible Assets		-	-	-
Intangible Assets Under Development		-	-	-
Financial Assets		-	-	-
Investment		-	-	-
Loans		-	-	-
Others		-	-	-
Other Non-Current Assets		-	-	-
Total Non-Current Assets		-	-	-
2. Current Assets				
Inventories		-	-	-
Financial Assets		-	-	-
Trade Receivables	2	2,99,430	3,55,338	1,44,373
Cash and Cash Equivalents	3	2,18,387	98,683	99,879
Bank Balances Other than Cash and Cash Equivalents		-	-	-
Loans		-	-	-
Others		-	-	-
Other Current Assets		-	-	-
Total Current Assets		5,17,817	4,54,021	2,44,252
Total Assets		5,17,817	4,54,021	2,44,252
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	4	1,00,000	1,00,000	1,00,000
Other Equity	5	2,16,964	37,597	(39,748)
Total Equity		3,16,964	1,37,597	60,252
Liabilities				
1. Non-Current Liabilities				
Financial Liabilities		-	-	-
Borrowings		-	-	-
Provisions		-	-	-
Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilities		-	-	-
2. Current Liabilities				
Financial Liabilities		-	-	-
Borrowings		-	-	-
Trade Payables		-	-	-
Other Financial Liabilities		-	-	-
Other Current Liabilities	6	1,71,500	2,89,600	1,84,000
Provisions	7	29,352	26,824	-
Total Current Liabilities		2,00,852	3,16,424	1,84,000
Total Equity and Liabilities		5,17,817	4,54,021	2,44,252

The accompanying notes form an integral part of financial statements.

For P.C. Mehta and Co.
Chartered Accountants
Firm Registration No. 106276W

For and on behalf of the Board of Directors
SHME Food Brands Private Limited

CA. Paresh C. Mehta
Proprietor
M.No.: 032644



Place: Mumbai
Date : April 30, 2019


Arvind Agrawal
Director


Ashwin Rajan
Director

SHME FOOD BRANDS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)

	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
INCOME			
Revenue From Operations	8	2,99,430	2,10,965
Other Income	9	30,000	-
Total Income		3,29,430	2,10,965
EXPENSES			
Purchase of Stock-In-Trade		-	-
Change in Inventories of Stock-In-Trade		-	-
Employee Benefits Expense		-	-
Finance Costs		-	-
Depreciation and Amortization Expense		-	-
Other Expenses	10	79,867	1,06,796
Total Expenses		79,867	1,06,796
Profit Before Tax		2,49,563	1,04,169
Tax Expense			
(1) Current Tax		64,886	26,824
(2) Deferred Tax		-	-
Prior Period Tax		5,309	-
Profit For The Year		1,79,367	77,345
Other Comprehensive Income For The Year		-	-
Total Comprehensive Income For The Year		1,79,367	77,345
Earnings Per Equity Share of Face Value of ₹ 10/- each	11		
Basic And Diluted		17.94	7.73

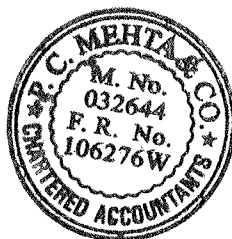
The accompanying notes form an integral part of financial statements.

For P.C. Mehta and Co.
 Chartered Accountants
 Firm Registration No. 106276W




CA. Paresh C. Mehta
 Proprietor
 M.No.: 032644

Place: Mumbai
 Date : April 30, 2019



For and on behalf of the Board of Directors
SHME Food Brands Private Limited


Arvind Agrawal
 Director


Ashwin Rajan
 Director

SHME FOOD BRANDS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) for the year	249,563	104,169
Change in operating assets and liabilities:		
(Increase)in trade receivables	55,908	(210,965)
Increase/ (decrease) in other current liabilities	(118,100)	105,600
Increase/(decrease) in provisions	(35,534)	-
Cash generated from operations	151,837	(1,196)
Less: Income taxes (paid)/ refund received	(32,133)	-
Net cash inflow from operating activities	119,704	(1,196)
Net increase (decrease) in cash and cash equivalents	119,704	(1,196)
Cash and Cash Equivalents at the beginning of the financial year	98,683	99,879
Cash and Cash Equivalents at end of the year	218,387	98,683
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks on current accounts	218,387	98,683
Balances per statement of cash flows	218,387	98,683

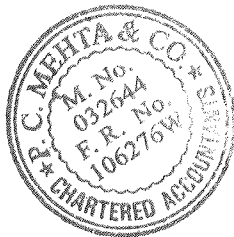
The accompanying notes form an integral part of financial statements.

As per our report of even date attached

For P.C. Mehta and Co.
Chartered Accountants
Firm Registration No. 106276W


CA. Paresh C. Mehta
Proprietor
M.no:- 032644

Place: Mumbai
Date : April 30, 2019



For and on behalf of the Board of Directors
SHME Food Brands Private Limited


Arvind Agrawal
Director


Ashwin Rajan
Director

SHME FOOD BRANDS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

	(Amount in ₹)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A) EQUITY SHARE CAPITAL			
Balance as on 1st April 2018	1,00,000	1,00,000	1,00,000
Issue of Equity Shares Under Employee Stock Option Scheme	-	-	-
Closing Balance As on 31 March 2019	1,00,000	1,00,000	1,00,000
(B) OTHER EQUITY			
Retained Earnings			
Opening Balance	37,597	(39,748)	-
Profit For The Year	1,79,368	77,345	(39,748)
Other Comprehensive Income/(Loss) For The Year	-	-	-
Fair Value Changes On Investments	-	-	-
Re-measurement Gain/(Losses) on Defined Benefit Plans	-	-	-
Closing Balance	2,16,965	37,597	(39,748)
TOTAL OTHER EQUITY	2,16,965	37,597	(39,748)

As per our report of even date attached

For P.C. Mehta and Co.
Chartered Accountants
Firm Registration No. 106276W

P.C. Mehta

CA. Paresh C. Mehta
Proprietor
M.No.: 032644

Place: Mumbai
Date : April 30, 2019



For and on behalf of the Board of Directors
SHME Food Brands Private Limited

Arvind Agrawal
Arvind Agrawal
Director

Ashwin Rajan
Ashwin Rajan
Director

SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Company Overview and Significant Accounting Policies

1.1 Company Overview

SHME Food Brands Private Limited ('The Company') is a company domiciled in India and incorporated on August 25, 2015. The Company incorporated with purpose to envisage, design, create, manufacture, market and distribute high quality food and food-related products.

On March 27, 2019, the Company has changed its objects clause to carryout activities in order to acquire, develop, set-up, establish, maintain, run, operate and manage convenience stores, discount stores and commercial establishments of similar nature.

The Company has its registered office at Mumbai, Maharashtra, India.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on April 30, 2019

1.2 Basis of Preparation of Financial Statements

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

1.3 Use of Estimates

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

1.4 Revenue Recognition

Revenue is recognised on a fair value basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of Products

Revenue from sale of products is recognised, when significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products. It also Excludes GST (Goods and Service Tax). It is measured at fair value of consideration received or receivable, net of returns and allowances.

Rendering of Services

Revenue from services are recognised as they are rendered based on arrangements with the customers.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Dividend Income

Dividend income is recognised when the Company's right to receive such dividend is established.

1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

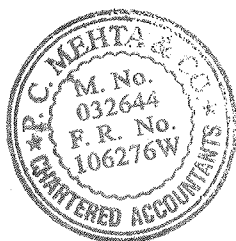
The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	: 30 years
Plant and Equipment	: 15 years
Office Equipment*	: 3 to 6 years
Furniture and Fixture	: 10 years
Leasehold	: Lease term or 15 years,
Improvement*	whichever is lower
Vehicle	: 8 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

1.6 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition.

An item of Intangible Asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.7 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

1.8 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.9 Measurement of Fair Value

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

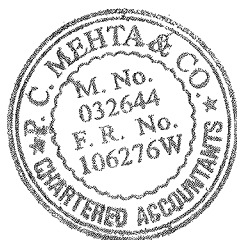
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- **Level 1** —Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** —Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** —Input for the asset or liability that are not based on observable market data (unobservable inputs).

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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

1.10 Financial Instruments

(i) Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

(ii) Subsequent Measurement

A Non-Derivative Financial Instruments

a Financial Assets Carried at Amortised Cost

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

b Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

c Financial Assets at Fair Value Through Profit or Loss

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

d Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

B Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial Assets or Liabilities, at Fair Value Through Profit or Loss:

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(iii) Derecognition of Financial Instruments

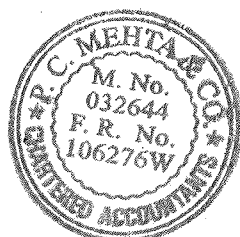
The company derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

1.11 Inventories

Inventories are valued at lower of cost or net realizable value. Inventories of traded goods are valued at lower of cost or net realizable value. Finished Goods and Work-in-Progress include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed on weighted average basis.

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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

1.12 Foreign Currency

(i) Functional Currency

Financial statements of the Company's are presented in Indian Rupees ('₹'), which is also the functional currency.

(ii) Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other gains/ (losses).

1.13 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, are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the year in which they occur in the statement of profit and loss.

1.14 Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

Post-employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the statement of profit and loss.

1.15 Share-Based Payment

The Company recognizes compensation expense relating to share-based payments in statement of profit and loss, using fair-value. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.16 Income Tax

Income tax comprises current and deferred income tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws 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 effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. 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.

1.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

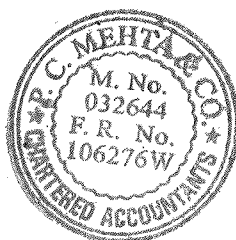
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

1.18 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

1.19 Impairment

(i) Financial Assets

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

(ii) Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

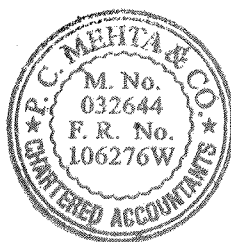
If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

1.20 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

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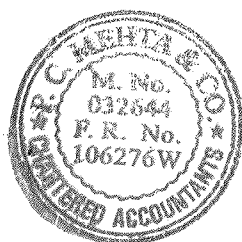


SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
2 Trade Receivables			
(Unsecured Considered Good)			
Outstanding for a period exceeding six months	-	1,44,373	1,44,373
Others	2,99,430	2,10,965	
	2,99,430	3,55,338	1,44,373
3 Cash and Cash Equivalents			
Balances with Banks			
On Current Accounts	2,18,387	98,683	99,879
	2,18,387	98,683	99,879

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Equity Share Capital

	As at March 31, 2019		As at March 31, 2018		Balance Sheet as at April 1, 2017	
	Number	Amount (Rs.)	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised						
Equity Shares of ₹10/- each	2,50,00,000	25,00,00,000	10,000	1,00,000	10,000	1,00,000
	2,50,00,000	25,00,00,000	10,000	1,00,000	10,000	1,00,000
Issued						
Equity Shares of ₹10/- each	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
Subscribed and Paid up						
Equity Shares of ₹10/- each	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000

(i) Reconciliation of Number of Equity Shares

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	Amount (Rs.)	Number	Amount (Rs.)	Number	Amount (Rs.)
Opening Balance Equity Shares of ₹10/- each						
Add : Shares issued during the year						
Closing Balance (Equity Shares of ₹10/- each)	10,000	1,00,000	10,000	1,00,000	10,000	1,00,000

(ii) The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time after approval in Board meeting (interim) /annual general meeting (final). Each holder of equity shares is entitled to one vote per share. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by holding Company

Name of shareholders	As at March 31, 2019		As at March 31, 2018		Balance Sheet as at April 1, 2017	
	Number	Amount (₹)	Number	Amount (₹)	Number	Amount (₹)
Future Retail Limited*	10,000	1,00,000	-	-	-	-
	10,000	1,00,000	-	-	-	-

*Includes 6 shares held by nominees of Future Retail Limited and beneficial interest held by Future Retail Limited

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018		Balance Sheet as at April 1, 2017	
	Number	Holding	Number	Amount (₹)	Number	Amount (₹)
Future Retail Limited*	9,994	99.94%				
Mr. Sharad Damodar Abhyankar			9,999	99.99%	9,999	99.99%
	9,994	99.94%	9,999	99.99%	9,999	99.99%

*Additionally 6 shares held by nominees of Future Retail Limited and beneficial interest held by Future Retail Limited

e) The Company has not issued any shares without cash consideration or any bonus shares and there has not been any buy back of shares in the five years immediately preceeding the balance sheet date.

5. Other Equity

Deficit in the statement of profit and loss		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balance as at the beginning of the year			37,597	(39,748)
Add: Profit for the year			1,79,367	77,345
Net surplus in the statement of profit and loss			2,16,964	37,597
				(39,748)



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SHME FOOD BRANDS PRIVATE LIMITED
4. Reconciliation

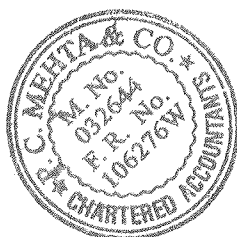
The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

Reconciliation of Equity Between Previous IGAAP And Ind AS is As Under

(Amount in ₹)

Particulars	Balance Sheet as at March 31, 2019			Balance Sheet as at March 31, 2018			Balance Sheet as at April 1, 2017		
	IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS									
1. Non-Current Assets									
Property, Plant and Equipment									
Capital Work-in-Progress									
Intangible Assets									
Financial Assets									
Loans									
Others									
Other Non-Current Assets									
Total Non-Current Assets	-	-	-	-	-	-	-	-	-
2. Current Assets									
Inventories									
Financial Assets									
Trade Receivables	2,99,430	-	2,99,430	3,55,338	-	3,55,338	1,44,373	-	1,44,373
Cash and Cash Equivalents	2,18,387	-	2,18,387	98,683	-	98,683	99,879	-	99,879
Loans									
Others									
Other Current Assets									
Total Current Assets	5,17,817	-	5,17,817	4,54,021	-	4,54,021	2,44,262	-	2,44,262
Total Assets	5,17,817	-	5,17,817	4,54,021	-	4,54,021	2,44,262	-	2,44,262
EQUITY AND LIABILITIES									
Equity									
Equity Share Capital	1,00,000	-	1,00,000	1,00,000	-	1,00,000	1,00,000	-	1,00,000
Other Equity	2,16,964	-	2,16,964	37,597	-	37,597	(39,748)	-	(39,748)
Total Equity	3,16,964	-	3,16,964	1,37,597	-	1,37,597	60,252	-	60,252
Liabilities									
1. Non-Current Liabilities									
Financial Liabilities									
Borrowings									
Provisions									
Other Non-Current Liabilities									
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-
2. Current Liabilities									
Financial Liabilities									
Borrowings									
Trade Payables									
Other Financial Liabilities									
Other Current Liabilities	1,71,500	-	1,71,500	2,89,600	-	2,89,600	1,84,000	-	1,84,000
Provisions	29,352	-	29,352	26,824	-	26,824	-	-	-
Total Current Liabilities	2,00,852	-	2,00,852	3,16,424	-	3,16,424	1,84,000	-	1,84,000
Total Equity and Liabilities	5,17,817	-	5,17,817	4,54,021	-	4,54,021	2,44,262	-	2,44,262

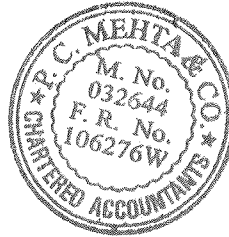
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SHME FOOD BRANDS PRIVATE LIMITED

Reconciliation Statement of Profit and Loss Between Previous IGAAP And Ind AS Is As Under

Particulars	Year ended March 2019			Year ended March 2018		
	IGAAP	Effects of Transition to Ind- AS	Ind AS	IGAAP	Effects of Transition to Ind- AS	Ind AS
Income						
Revenue from operations	299,430	-	299,430	210,965	-	210,965
Other Income	30,000	-	30,000	-	-	-
Total Income	329,430	-	329,430	210,965	-	210,965
Expenses						
Purchase of Stock-In-Trade						
Change in Inventories of Stock-In-Trade						
Employee Benefits Expense						
Finance Costs						
Depreciation and Amortization Expense						
Other Expenses	79,867	-	79,867	106,796	-	106,796
Total Expense	79,867	-	79,867	106,796	-	106,796
Profit Before Tax For The Year	249,563	-	249,563	104,169	-	104,169
Tax Expense	70,195	-	70,195	26,824	-	26,824
Profit After Tax For The Year	179,367	-	179,367	77,345	-	77,345
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	179,367	-	179,367	77,345	-	77,345


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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)			
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
6 Other Current Liabilities			
Creditors for expenses	1,71,500	2,89,600	1,84,000
	1,71,500	2,89,600	1,84,000
7 Current Provisions			
Provision for Income Tax (Net of TDS Rs. 35,534/-)	29,352	26,824	-
	29,352	26,824	-

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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

Year Ended
March 31, 2019

Year Ended
March 31, 2018

8 Revenue From Operations

Operating revenues:

Royalty Income	2,99,430	2,10,965
Revenue from operations	2,99,430	2,10,965

9 Other Income

Miscellaneous Income	30,000	-
	30,000	-

10 Other Expenses

Professional Expenses	42,000	45,500
Rates & Taxes	16,600	42,100
Bank Charges	867	1,196
Auditor's remuneration		
-Statutory audit	18,000	18,000
-Out of pocket expenses	2,400	-
	79,867	1,06,796

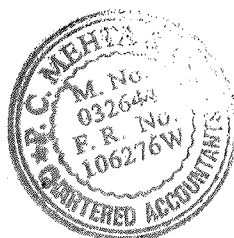
11 Earning Per Share

Profit after tax	1,79,367	77,345
Nominal value per share (₹)	10	10
Weighted average number of equity shares	10,000	10,000

Earning Per Share

EPS (Basic and Diluted)	17.94	7.73
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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12 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 financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

i Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the interest cost, treasury performs a comprehensive corporate interest rate risk management by balancing the borrowings from commercial paper, short term loan, working capital loan and non fund facilities from banks.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

ii Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables is NIL. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience for customers.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

	(Amount in ₹)	
	2018-19	2017-18
Up to 3 Months	-	2,10,965
3 to 6 Months	-	-
More Than Six Months	2,99,430	-
	-	1,44,373

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

iii Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

iv Financial Instruments Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

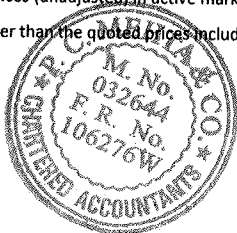
Particulars	(Amount in ₹)	
	As at March 31, 2019	As at March 31, 2018
Financial Assets		
At Amortised Cost		
Trade Receivables	2,99,430	3,55,338
Cash and Bank Balances	2,18,387	98,683
Loans	-	-
Other Financial Assets	-	-
At FVTOCI		
Investments	-	-
Financial Liabilities		
At Amortised Cost		
Borrowings	-	-
Trade Payables	-	-
Other Financial Liabilities	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

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

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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13 Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particular	As at March 31, 2019	As at March 31, 2018
Gross Debt		
Trade Payables		
Other Payables	-	-
Less: Cash and Cash Equivalents	1,71,500	2,89,600
Net Debt	2,18,387	98,683
	(46,887)	1,90,917
Equity		
Other Equity	1,00,000	1,00,000
Total Capital	2,16,964	37,597
Capital and Net Debt	3,16,964	1,37,597
	2,70,077	3,28,514
Gearing Ratio	-17.36%	58.12%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

14 Income Tax Expense

Reconciliation of Tax Expenses

Particulars	2018-19	2017-18
Profit Before Tax		
Applicable tax rate	2,49,563	1,04,169
Computed expected tax expense	26.00%	25.75%
Effect of Non-deductible Expense	64,886	26,824
Effect of Additional deduction	-	-
Carried forward losses utilized	-	-
Tax expense charged to the Statement of Profit and Loss	-	-

15 Related Party Disclosures

Disclosure as required by Ind AS 24 and Companies Act, 2013 "Related Party Disclosures" are given below:

1 List of Related Parties

A Holding Company

- i Future Retail Limited - (from February 28, 2019)

B Fellow Subsidiary

- i Travel News Services (India) Private Limited - (from February 28, 2019);
ii TNSI Retail Private Limited - (from February 28, 2019);
iii Welcome Retail Private Limited - (from February 28, 2019).

C Key Managerial Personnel:

- i Mr. Sharadchandra Abhyankar - Director (till January 07, 2019)
ii Mr. Mehul Shah - Director (till January 07, 2019)
iii Mr. Anuraag Agarwal - Director
iv Ms. Prapti Zaveri - Director (from December 19, 2018 to March 15, 2019)
v Mr. Arvind Agrawal - Director (from February 28, 2019)
vi Mr. Ashwin Rajan - Director (from February 28, 2019)

D Key Managerial Personnel of Holding Company:

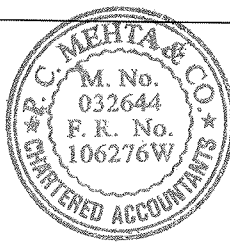
- i Mr. Kishor Biyani
ii Mr. Rakesh Biyani
iii Mr. Chandra Prakash Toshniwal
iv Mr. Virendra Samani

Related Party Transactions

Particulars	2018-19	2017-18
I. Holding Company (Future Retail Limited)		
Royalty Income		
Sale of Brands	2,99,430	2,10,965
	30,000	-

Outstanding Receivable Balance as on:	As at March 31, 2019	As at March 31, 2018
Future Retail Limited	2,99,430	3,55,338

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SHME FOOD BRANDS PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16 Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

		(Amount in ₹)	
Particulars	2018-19	2017-18	
Profit attributable to equity holders	1,79,367	77,345	
Weighted average number of Equity Shares for Basic EPS	10,000	10,000	
Weighted average number of Equity Shares for Diluted EPS	10,000	10,000	
Nominal Value per Equity Share	10	10	
Earnings Per Equity Share (Basic)	17.94	7.73	
Earnings Per Equity Share (Diluted)	17.94	7.73	

17 Payment to the Auditor

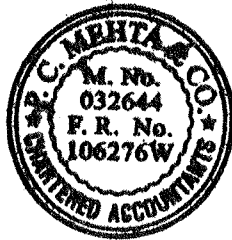
		(Amount in ₹)	
Particulars	2018-19	2017-18	
Statutory Audit Fees	18,000	18,000	
Total	18,000	18,000	

For P.C. Mehta and Co.
Chartered Accountants
Firm Registration No. 106276W

For and on behalf of the Board of Directors
SHME Food Brands Private Limited

Mehta

CA. Paresh C. Mehta
Proprietor
M.No.: 032644



Arvind Agrawal
Arvind Agrawal
Director

Ashwin Rajan
Ashwin Rajan
Director

Place: Mumbai
Date : April 30, 2019