INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GODREJ MAXXIMILK PRIVATE LIMITED
Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **GODREJ MAXXIMILK PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the 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 Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2019, and its loss, (financial performance including Other 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 ("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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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

Other Information

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

Our opinion of the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and review the steps taken by the Management to communicate with those in receipt of the other information, if previously issued, to inform them of the revision.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 Responsibilities for the Audit of the Ind AS 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 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 financial controls 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.

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.

Report on Other Legal and Regulatory Requirements As required by the Companies

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014, as amended to the extent applicable.

   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 B"**.

g) According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.

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

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

    ii. The Company 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 KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W / W100166

Sd/-
FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
Place: Mumbai
Dated: May 04, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31, 2019.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

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

(b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets.

(c) The Company does not have any immovable property and hence the provisions of sub clause (c) of paragraph 3(i) of the Order are not applicable.

ii. The physical verification of the inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed during verification between physical inventories and book records.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable to the Company for the current year.

iv. In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.

vi. In our opinion and according to the information and explanations given to us, the maintenance of cost records under sub section (1) of Section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.

vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing 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 any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2019, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute.

viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks and financial institution. The Company does not have dues to government or debenture holders.

ix. The Company has not raised money through initial public offer or further public offer. The Company has raised term loan during the year and has been applied for the purpose for which it was raised.

x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company, has been noticed or reported during the year.

xi. According to information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has made preferential allotment of fully paid equity shares during the year and has complied with the requirements of Section 42 of the Act. According to the information and explanation given to us, the amount raised through preferential allotment of fully paid equity shares have been used for the purpose for which funds were raised.

xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3 (xvi) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W / W100166

Sd/-
FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
Place: Mumbai
Dated: May 04, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31, 2019.

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

We have audited the internal financial controls over financial reporting of **GODREJ MAXXIMILK PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS 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 Ind AS 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 KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 104607W / W100166

Sd/-
FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
Place: Mumbai
Dated: May 04, 2019

Balance Sheet as at March 31, 2019 **(Rs. in lakh)**

	Particulars	**Note No.**	**As at March 31,2019**	**As at March 31,2018**
	ASSETS			
(I)	**Non-current assets**			
	(a) Property, plant and equipment	2	2,239.21	129.34
	(b) Capital work-in-progress		3.48	1,216.14
	(c) Biological assets other than bearer plants (Cattle)	3	413.01	102.42
	(d) Deferred tax assets		185.22	27.72
	(e) Other non-current assets	4	10.08	20.51
	Total Non current assets		**2,851.00**	**1,496.13**
(II)	**Current Assets**			
	(a) Inventories	5	106.12	23.46
	(b) Financial Assets			
	(i) Trade Receivables	6	42.25	1.84
	(ii) Cash and cash equivalents	7	7.29	3.91
	(iii) Loans	8	3.14	5.30
	(c) Other current assets	9	5.13	0.09
	Total current assets		**163.93**	**34.60**
	Total Assets		**3,014.93**	**1,530.73**
	EQUITY AND LIABILITIES			
(I)	**Equity**			
	(a) Equity share capital	10	79.89	61.71
	(b) Other equity	11	117.21	320.59
	Total equity		**197.10**	**382.30**
(II)	**Liabilities**			
(1)	**Non current liabilities**			
	(a) Financial liabilities			
	Borrowings	12	1,600.00	-
	Total non current liabilities		**1,600.00**	**-**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowing	13	164.08	783.70
	(ii) Trade payables	14		
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		190.30	24.87
	(iii) Other financial liabilities	15	858.59	334.78
	(b) Other current Liabilties	16	4.86	5.08
	Total current liabilities		**1,217.83**	**1,148.43**
	Total Equity and Liabilities		**3,014.93**	**1,530.73**

The notes 1 to 35 form an integral part of the financial statements

As per our report of even date
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

Signatures to Balance Sheet and Notes to the Financial Statements
For and on behalf of the Board

Sd/-
FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
Mumbai
Dated: May 04, 2019

Sd/-
S. VARADARAJ
DIRECTOR
DIN. 00323436

Sd/-
Dr. SAAR YAVIN
DIRECTOR
DIN. 07452119

Statement of Profit and Loss for the year ended March 31,2019 **(Rs. in lakh)**

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Revenue from operations	17	290.37	3.98
II.	Other income	18	4.07	1.86
III.	**Total Income**		**294.44**	**5.84**
IV.	**Expenses**			
	Cost of materials consumed	19	203.04	15.23
	Changes in inventories of finished goods	20	16.92	(16.92)
	Employee benefits expense	21	159.00	36.76
	Finance costs	22	88.40	15.24
	Depreciation and amortisation expenses	23	91.90	3.61
	Other expenses	24	377.88	61.74
	Total Expenses		**937.14**	**115.66**
V.	**Loss before exceptional items and tax**		(642.70)	(109.82)
VI.	**Loss Before Tax**		**(642.70)**	**(109.82)**
VII.	**Tax expense:**		**(157.50)**	**(27.72)**
	1. Current Tax		-	-
	2. Deferred Tax		(157.50)	(27.72)
VIII.	**Loss for the year**		**(485.20)**	**(82.10)**
IX.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss		-	-
			-	-
	(B) Items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year		-	-
X.	**Total comprehensive income for the year (VIII + IX)**		**(485.20)**	**(82.10)**
	Earnings per equity share			
XI.	**(Nominal value of Rs. 10 each, fully paid-up)**			
	Basic	25	(78.50)	(51.19)
	Diluted		(78.50)	(51.19)

The notes 1 to 35 form an integral part of the financial statements

As per our report of even date
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

Signatures to Statement of Profit and Loss and Notes to the Financial Statements

For and on behalf of the Board

Sd/-
FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
Mumbai
Dated: May 04, 2019

Sd/-
S. VARADARAJ
DIRECTOR
DIN. 00323436

Sd/-
Dr. SAAR YAVIN
DIRECTOR
DIN. 07452119

Statement of changes in equity for the year ended March 31, 2019

(a) Equity share capital

	As at March 31, 2019	**As at March 31, 2018**
		(Rs. in lakh)
Balance at the beginning of the reporting year	61.71	1.00
Changes in equity share capital during the year (refer note 10)	18.18	60.71
Balance at the end of the reporting year	**79.89**	**61.71**

(b) Other equity

	Attributable to the owners of the Company		
	Retained earnings	**Securities Premium Account**	**Total**
Balance at April 1, 2018	**(100.21)**	**420.80**	**320.59**
Total comprehensive income for the year			
Loss for the year	(485.20)	-	(485.20)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**(485.20)**	**-**	**(485.20)**
Transactions with the owners of the Company,recorded directly in equity			
Additions during the year	**-**	**281.82**	281.82
Balance at March 31, 2019	**(585.41)**	**702.62**	**117.21**
Balance at April 1, 2017	**(18.11)**	**-**	**(18.11)**
Total comprehensive income for the period			
Loss for the period	(82.10)	-	(82.10)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	**(82.10)**	**-**	**(82.10)**
Transactions with the owners of the Company,recorded directly in equity			
Additions during the year	**-**	**420.80**	420.80
Balance at March 31, 2018	**(100.21)**	**420.80**	**320.59**

The notes 1 to 35 form an integral part of the financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

For and on behalf of the Board

Sd/-
FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
Mumbai
Dated: May 04, 2019

Sd/-
S. VARADARAJ
DIRECTOR
DIN. 00323436

Sd/-
Dr. SAAR YAVIN
DIRECTOR
DIN.07452119

Statement of Cash Flows for the year ended March 31, 2019 **(Rs. in lakh)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow from Operating Activities :		
Net Profit Before Taxes	**(642.70)**	**(109.82)**
Adjustment for:		
Depreciation and amortisation	91.90	3.61
Change in fair value of biological assets	38.25	7.47
Finance Cost	88.40	15.24
	218.55	**26.32**
Operating Profit Before Working Capital Changes	**(424.15)**	**(83.50)**
Adjustments for:		
Inventories	(82.66)	(23.07)
Trade Receivables	(40.41)	(1.84)
Other non-current assets	(2.49)	-
Current Financial assets- Loans	2.16	(5.30)
Other current assets	(5.04)	(0.09)
Trade Payables	165.43	19.70
Current Financial liabilities- Others	523.81	276.69
Other current liabilities	(0.25)	4.99
	560.55	271.08
Cash Generated from Operations	**136.40**	**187.58**
Net Cash Flow from Operating Activities	**136.40**	**187.58**
B. Cash Flow from Investing Activities :		
Biological assets other than bearer plants	(348.84)	(91.37)
Acquisition of fixed assets	(976.16)	(1,343.72)
Net Cash Flow used for Investing Activities	**(1,325.00)**	**(1,435.09)**
C. Cash Flow from Financing Activities :		
Proceeds from issue of equity shares	300.00	481.51
Proceeds from Long Term Borrowings	1,600.00	-
Proceeds from Short Term Borrowings	1,054.38	783.70
Repayment of Short Term Borrowings	(1,674.00)	-
Finance Cost	(88.40)	(15.24)
Net Cash Flow from Financing Activities	**1,191.98**	**1,249.97**
Net increase in Cash and Cash equivalents	**3.38**	**2.46**
Cash and Cash equivalents (Opening balance)	3.91	1.45
Cash and Cash equivalents (Closing balance)	**7.29**	**3.91**
		-

1 The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 Cash Flow Statement notified u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.

2 Figures in bracket indicate cash outflow.

The Notes 1 to 35 form an integral part of the Financial Statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

For and on behalf of the Board

Sd/-
FARHAD M. BHESANIA
PARTNER
Membership Number: 127355
Mumbai
Dated: May 04, 2019

Sd/-
S. VARADARAJ
DIRECTOR
DIN. 00323436

Sd/-
Dr. SAAR YAVIN
DIRECTOR .
DIN: 07452119

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2 Property, plant & equipment **(Rs. in lakh)**

PARTICULARS	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office & Other Equipment	Leasehold Improvements	Total
As at March 31, 2019							
Gross Block							
At April 1, 2018	-	69.14	0.64	9.35	8.66	45.15	132.94
Additions	1,771.09	50.82	6.60	70.25	286.62	17.07	2,202.45
Disposals	-	(0.71)	-	-	-	-	(0.71)
As at March 31, 2019	1,771.09	119.25	7.24	79.60	295.28	62.22	2,334.68
Accumulated Depreciation							
At April 1, 2018	-	2.06	0.04	0.37	0.54	0.59	3.60
Charge for the year	57.17	6.39	0.42	6.90	18.76	2.25	91.89
Disposals	-	(0.02)	-	-	-	-	(0.02)
As at March 31, 2019	57.17	8.43	0.46	7.27	19.30	2.84	95.47
Net Block as at March 31 , 2019	1,713.92	110.82	6.78	72.33	275.98	59.38	2,239.21
As at March 31, 2018							
Gross Block							
At April1, 2017	-	-	-	-	-	-	-
Additions	-	69.14	0.64	9.35	8.66	45.15	132.94
Disposals	-	-	-	-	-	-	-
As at March 31 ,2018	-	69.14	0.64	9.35	8.66	45.15	132.94
Accumulated Depreciation							
At April 1, 2017	-	-	-	-	-	-	-
Charge for the year	-	2.06	0.04	0.37	0.54	0.59	3.60
Disposals	-	-	-	-	-	-	-
As at March 31 , 2018	-	2.06	0.04	0.37	0.54	0.59	3.60
Net Block as at March 31, 2018	-	67.08	0.60	8.98	8.12	44.56	129.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 Biological Assets

A. Reconciliation of carrying amount

March 31, 2019 **(Rs. in lakh)**

Particulars	**Cattles**	
	Qty.	**Amount**
Balance as April 1, 2018	162	102.42
Add:		
Purchases	290	245.73
Production/ Cost of Development	143	106.12
Less:		
Sales / Disposals	(41)	(3.00)
Change in fair value less cost to sell:	-	(38.25)
Realised	-	(13.79)
Unrealised	-	(24.46)
Balance as at March 31, 2019	**554**	**413.02**

March 31, 2018 **(Rs. in lakh)**

Particulars	**Cattles**	
	Qty.	**Amount**
Balance as April 1, 2017	54	18.52
Add:		
Purchases	88	43.48
Production/ Cost of Development	30	55.86
Less:		
Sales/ Disposals	(10)	(7.97)
Change in fair value less cost to sell:	-	(7.47)
Realised	-	(6.47)
Unrealised	-	(1.00)
Balance as at March 31, 2018	**162**	**102.42**

-

B. Measurement of Fair value

i. Fair Value hierarchy

The fair value measurements for Cattle has been categorised as Level 3 fair values based on the inputs to valuation technique used.

ii. Level 3 Fair values

The following table shows a break down of the total gains /(losses) recognised in respect of Level 3 fair values-

Particulars	March 31, 2019	March 31, 2018
Gain/(loss) included in 'other operating revenue'		
Change in fair value (realised)	(13.79)	(6.47)
Change in fair value (unrealised)	(24.46)	(1.00)
Gain included in OCI	-	-

iii. Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Cattles	Market approach with the help of Valuation certificate	Estimated price impact on age, breed and yield of the Cattle	The estimated fair valuation would increase/(decrease) if - Estimated yield of the cattle is increased or decreased

C. Risk Management strategies related to agricultural activities

The Company is exposed to the following risks relating to its Dairy Farms.

i. Regulatory and environmental risks

The Company is subject to laws and regulations in the country in which it operates. It has established various environmental policies and procedures aimed at compliance with the local environmental and other laws.

ii. Supply and demand risks

The Company is exposed to risks arising from fluctuations in the price and sales volume of Milk. Company manages this risk by effective marketing tie up for sales of milk.

iii. Other risks

The Company is exposed to risks arising from fluctuations in yield and health of the Cattle. Company manages this risk by effective sourcing and maintenance of cattle.

A reasonably possible change of 10% in valuation at the reporting date would have increased/(decreased) profit or loss by the amounts shown below.

	Profit or (loss) for the year ended March 31,2019		Profit or (loss) for the year ended March 31,2018	
	10% increase	**10% decrease**	**10% increase**	**10% decrease**
Estimated change in valuation	30.56	(30.56)	7.58	(7.58)
Cash flow sensitivity (net)	30.56	(30.56)	7.58	(7.58)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2019	As at March 31, 2018
		(Rs. in lakh)
Note 4		
Other non-current assets		
1. Capital advances	7.59	20.51
2 Others	2.49	-
TOTAL	**10.08**	**20.51**
Note 5		
Inventories		
(Valued at lower of cost and net realizable value)		
1 Raw materials	106.12	6.54
2 Finished goods	-	16.92
TOTAL	**106.12**	**23.46**
Note 6		
Current Trade Receivables (refer Note No.24.2)		
Unsecured and considered good	42.25	1.84
TOTAL	**42.25**	**1.84**
Note 7		
Cash and cash equivalents		
1 Cash on hand	0.56	0.15
2 Balances with banks:		
Current Accounts	6.73	3.76
TOTAL	**7.29**	**3.91**
Note 8		
Current Loans		
Unsecured, Considered Good, Unless Otherwise Stated		
Loans and Advances - Others		
(a) Loans and advances to employees	0.81	-
(b) Security deposits	2.33	5.30
TOTAL	**3.14**	**5.30**
Note 9		
Other current assets		
1 Advances to suppliers	4.77	0.09
2 Others	0.36	-
TOTAL	**5.13**	**0.09**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 10

Share Capital

	As at March 31, 2019	As at March 31, 2018
		(Rs. in lakh)
1. Authorised :		
(a) 20,00,000 (Previous year 20,00,000) Equity shares of the par value of Rs. 10 each	200.00	200.00
TOTAL	**200.00**	**200.00**
2. Issued, Subscribed and Paid-up:		
7,98,883 (Previous year 6,17,065) Equity shares of Rs. 10 each fully paid up.	79.89	61.71
TOTAL	**79.89**	**61.71**

3. Reconciliation of number of shares outstanding at the beginning and en	As at March 31, 2019		As at March 31, 2018	
	No. of shares	**Rs. In Lakh**	**No. of shares**	**Rs. In Lakh**
Equity shares :				
Outstanding at the beginning of the year	617,065	61.71	10,000	1.00
Shares issued during the year	181,818	18.18	607,065	60.71
Outstanding at the end of the year	**798,883**	**79.89**	**617,065**	**61.71**

4. Rights, preferences and restrictions attached to Equity shares

Equity Shares: The Company has one class of Equity shares having a par value of Rs. 10 per share. Each Share holder is eligible for one vote per share held. All Equity Shareholders are eligible to receive dividends in proportion to their shareholdings. The dividends proposed by the Board of Directors are subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

5. Shareholders holding more than 5% shares in the company is set out below:

	As at March 31, 2019		As at March 31, 2018	
(a) Equity shares	**No. of shares**	**%**	**No. of shares**	**%**
1 Godrej Agrovet Limited	503,043	62.97%	307,915	49.90%
2 Dr. Saar Yavin	147,920	18.52%	147,920	23.97%
3 Ms. Adaya Abigail Aroyo	147,920	18.52%	147,920	23.97%

6. There are no shares reserved for issue under options and no bous shares were issued during the previous year

Note 11

Other Equity

	As at March 31, 2019	As at March 31, 2018
		(Rs. in lakh)
1. Retained Earnings	**(585.41)**	**(100.21)**
2. Securities Premium Account	**702.62**	420.80
TOTAL EQUITY	**117.21**	**320.59**

Securities Premium Account

Securities Premium Account is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakh)

Note 12	As at March 31, 2019	As at March 31, 2018
Non current- Borrowings		
Unsecured		
Term loan from bank (refer note 12.1)	1,600.00	-
TOTAL	**1,600.00**	**-**

Note No. 12.1 : Term Loan is from Federal bank limited for the year ended March 31, 2019 and carries Interest Rates of 3 months T Bill + 175 bps. The loan is repayable in 20 quarterly installments of Rs. 80.00 Lakh, commencing from July 2020.

Note 13		
Current borrowings		
Unsecured		
Inter corporate Deposits	164.08	783.70
Total	**164.08**	**783.70**

Inter corporate deposits from related party is repayable on demand, carrying interest at the rate 7.50% to 7.75%.

Note 14		
Current -Trade Payables		
Trade Payables		
a. Total outstanding dues of micro enterprises and small enterprises; (refer note 15.1)	-	-
b. Ttotal outstanding dues of creditors other than micro enterprises and small enterprises	190.30	24.87
Total	**190.30**	**24.87**

Note No. 14.1: Under the Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), which came in to force from October 2, 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

A	Principal amount remaining unpaid	-	-
B	Interest due thereon	-	-
C	Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-
D	Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
E	Interest accrued and remaining unpaid	-	-
F	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-
		-	-

Note 15		
Other financial liabilities		
1 Non Trade Payables	807.77	322.64
2 Others	50.82	12.14
Total	**858.59**	**334.78**

Note 16		
Other current liabilities		
1 Advances from Customers	0.30	-
2 Statutory Liabilities	4.56	5.08
Total	**4.86**	**5.08**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakh)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 17		
Revenue from operations		
1 **Sale of products**	289.20	3.98
2 **Other operating revenue**		
Sale of Scrap and Empties	1.17	-
Total	**290.37**	**3.98**
Note No. 17.1 Major Product lines		
(a) Milk	269.93	3.98
(b) Other miscellanious items	19.27	-
Total	**289.20**	**3.98**

Note No. 17.2 There were no discount/rebate/sales returns adjusted with the above sale of products.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 18		
Other Income		
1 Claims received	2.69	1.00
2 Other Miscellaneous Income	1.38	0.86
TOTAL	**4.07**	**1.86**
Note 19		
Cost of materials consumed		
a Material at the Commencement of the year	6.54	0.39
b Add : Purchases	302.62	21.38
	309.16	21.77
c Less: Material at the Close of the year	106.12	6.54
Total	**203.04**	**15.23**
Note 20		
Changes In Inventories of Finished Goods.		
1 **Stocks at the Commencement of the year**		
Finished Goods	16.92	-
Total Stock at the commencement of the year	16.92	-
2 **Less : Stocks at the Close of the year**		
Finished Goods	-	16.92
Total Stock at the close of the year	-	16.92
Change in the stock of Finished Goods	**16.92**	**(16.92)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakh)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 21		
Employee benefits expense		
1 Salaries, Wages, Bonus and Allowances	145.61	34.86
2 Contribution to Provident, Gratuity and Other Funds	7.32	1.06
3 Staff Welfare Expense	6.07	0.84
TOTAL	**159.00**	**36.76**
Note 22		
Finance Costs		
Interest Expense		
i. Paid to Banks on Term Loan	11.84	-
ii. Interest on Inter Corporate Deposits	76.56	15.24
TOTAL	**88.40**	**15.24**
Note 23		
Depreciation and amortisation Expenses		
Depreciation	91.90	3.61
TOTAL	**91.90**	**3.61**
Note 24		
Other Expenses		
1 Stores and Spares consumed	39.54	7.21
2 Power and Fuel	39.85	2.47
3 Processing Charges	34.41	1.96
4 Rent	19.25	12.85
5 Rates and Taxes	3.83	3.58
6 Repairs and Maintenance		
(a) Machinery	19.07	0.98
(b) Buildings	0.25	-
(c) Other assets	6.85	5.74
7 Insurance	10.87	3.29
8 Auditor's Remuneration (refer note 25.1)	3.63	1.29
9 Freight	13.93	0.41
10 Change in fair value of biological assets	38.25	7.47
11 Technical knowhow	46.95	-
12 Professional Fee	52.03	-
13 Net gain/loss on foreign currency transactions and translation	0.11	-
14 Loss on sale/discard of Fixed Assets	0.07	-
15 Miscellaneous Expenses	48.99	14.49
TOTAL	**377.88**	**61.74**
Note No. 24.1: Auditor's Remuneration.		
(a) Audit Fees	2.07	1.18
(b) Audit under Other Statutes	1.48	-
(c) Certification.	0.08	0.11
Total	**3.63**	**1.29**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25 Earnings per share

Calculation of weighted average number of equity shares - Basic and Diluted

	Particulars	**March 31, 2019**	**March 31, 2018**
1	Calculation of weighted average number of equity shares - Basic		
	Number of shares at the beginning of the year	**617,065**	**10,000**
	Equity shares issued during the year	181,818	607,065
	Number of equity shares outstanding at the end of the year	**798,883**	**617,065**
	Weighted average number of equity shares for the year	**618,061**	**160,389**
2	**Loss attributable to ordinary shareholders (Basic/diluted)**		
	Loss for the period/year, attributable to the owners of the Company	(485.20)	(82.10)
	Loss for the period/year, attributable to ordinary shareholders	**(485.20)**	**(82.10)**
3	Basic Earnings per share (Rs.)	**(78.50)**	**(51.19)**
4	Diluted Earnings per share (Rs.)	**(78.50)**	**(51.19)**
5	Nominal Value of Shares (Rs.)	**10**	**10**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 26.1: Financial instruments – Fair values and risk management

Note 26.1.1: Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs. in lakh)

	Carrying amount				Fair value			
March 31, 2019	**FVTPL**	**FVOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
I. Current Financial Assets								
1. Trade and other receivables	-	-	42.25	42.25	-	-	-	-
2. Cash and cash equivalents	-	-	7.29	7.29	-	-	-	-
3. Short-term loans and advances	-	-	3.14	3.14	-	-	-	-
	-	-	52.68	52.68	-	-	-	-
Financial liabilities								
I. Non Current Financial liabilities								
Long term borrowings	-	-	1,600.00	1,600.00	-	-	-	-
II. Current Financial liabilities								
1. Short term borrowings	-	-	164.08	164.08	-	-	-	-
2. Trade and other payables	-	-	190.30	190.30	-	-	-	-
3. Other financial liabilities	-	-	858.59	858.59	-	-	-	-
	-	-	2,812.97	2,812.97	-	-	-	-

	Carrying amount				Fair value			
March 31, 2018	**FVTPL**	**FVOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
I. Current Financial Assets								
Current investments	-	-	-	-	-			-
1. Trade and other receivables	-	-	1.84	1.84	-	-	-	-
2. Cash and cash equivalents	-	-	3.91	3.91	-	-	-	-
3. Short-term loans and advances	-	-	5.30	5.30	-	-	-	-
	-	**-**	**11.05**	**11.05**	**-**	**-**	**-**	**-**
Financial liabilities								
I. Current Financial liabilities								
1. Short term borrowings	-	-	783.70	783.70	-	-	-	-
2. Trade and other payables	-	-	24.87	24.87	-	-	-	-
3. Other financial liabilities	-	-	334.78	334.78	-	-	-	-
	-	**-**	**1,143.35**	**1,143.35**	**-**	**-**	**-**	**-**

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

▪ Credit risk ;
▪ Liquidity risk;
▪ Market risk;

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

Financial instruments – Fair values and risk management (continued)

Note 26.2: Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered.

For trade receivables, the company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company monitors each loans and advances given and makes any specific provision wherever required.

The maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows.

	Carrying amount	
		(Rs. in lakh)
	March 31, 2019	**March 31, 2018**
Trade receivables	42.25	1.84
Domestic		
Distributors	-	-
Other	42.25	1.84
Total of Trade Receivables	42.25	1.84
Total of other Receivables	3.14	5.30

Impairment

The ageing of trade receivables that were not impaired was as follows.

	March 31, 2019	**March 31, 2018**
Neither past due nor impaired	28.23	1.84
Past due 1–30 days	14.02	-
Past due 31–90 days	-	-
Past due 91–180 days	-	-
> 180 days	-	-
	42.25	1.84

There were no trade and other receivables which have significant increase in Credit Risk.

Cash and cash equivalents

The Company held cash and cash equivalents and other Bank balances of Rs.7.29 lakh at March 31, 2019 (Previous Year Rs.3.91 lakh) . The cash and cash equivalents are held with bank with good credit rating.

Financial instruments – Fair values and risk management (continued)

Note 26.3: Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows					(Rs. in lakh)
March 31, 2019	**Carrying amount**	**Total**	**0-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Non current, non derivative financial liabilities							
Term Loan from Bank	1,600.00	1,600.00	-	-	210.00	960.00	430.00
Current, non derivative financial liabilities							
Trade and other payables- others	190.30	190.30	190.30	-	-	-	-
Other current financial liabilities	1,022.67	1,022.67	1,022.67	-	-	-	-
Non Trade Payables	807.77	807.77	807.77	-	-	-	-
Inter corporate deposits received	164.08	164.08	164.08	-	-	-	-
Others	50.82	50.82	50.82		-	-	-
Total	**2,812.97**	**2,812.97**	**1,212.97**	**-**	**210.00**	**960.00**	**430.00**

		Contractual cash flows					(Rs. in lakh)
March 31, 2018	**Carrying amount**	**Total**	**0-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Current, non derivative financial liabilities							
Trade and other payables- others	24.87	24.87	24.87	-	-	-	-
Other current financial liabilities	1,118.48	1,118.48	1,118.48	-	-	-	-
Non Trade Payables	322.64	322.64	322.64	-	-	-	-
Inter corporate deposits received	783.70	783.70	783.70	-	-	-	-
Others	12.14	12.14	12.14	-	-	-	-
Total	**1,143.35**	**1,143.35**	**1,143.35**	**-**	**-**	**-**	**-**

Financial instruments – Fair values and risk management (continued)

Note 26.4: Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(Rs. in lakh)

Nominal amount	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Financial liabilities		
Other financial liabilities		
Term Loan from bank	1,600.00	-
Inter corporate deposits	164.08	783.70
Total	1,764.08	783.70

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Note 27: Tax expense

(a) Amounts recognised in profit and loss

Particulars	**For the year ended March 31, 2019 (Rs. in lakh)**	**For the year ended March 31, 2018 (Rs. in lakh)**
Current income tax	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(157.50)	(27.72)
Deferred tax expense	(157.50)	(27.72)
Tax expense for the period/year	**(157.50)**	**(27.72)**

(b) Reconciliation of effective tax rate

Particulars	**For the year ended March 31, 2019 (Rs. in lakh)**	**For the year ended March 31, 2018 (Rs. in lakh)**
Profit before tax	**(642.70)**	**(109.82)**
Company's domestic tax rate	26.00%	26.00%
Tax using the Company’s domestic tax rate	(167.10)	(28.55)
Tax effect of:		
Expense not allowed for tax purposes	6.46	0.83
Others	3.14	-
	(157.50)	**(27.72)**

Note 28: Movement in deferred tax balances

Movement in deferred tax balances for the year ended March 31, 2019 **(Rs. in lakh)**

			March 31, 2019		
	Net balance April 1, 2018	**Recognised in profit or loss**	**Deferred tax asset**	**Deferred tax liability**	**Net Deferred tax**
Deferred tax asset/(liabilities)					
Carried forward Loss	29.22	195.15	224.37	-	224.37
Property, plant and equipment.	(1.50)	(44.27)	(45.77)	-	(45.77)
Biological Assets	-	6.62	6.62	-	6.62
Tax assets (Liabilities)	**27.72**	**157.50**	**185.22**	**-**	**185.22**

Movement in deferred tax balances for the year ended March 31, 2018

			March 31, 2018		
	Net balance April 1, 2017	**Recognised in profit or loss**	**Deferred tax asset**	**Deferred tax liability**	**Net Deferred tax**
Deferred tax asset/(liabilities)					
Carried forward Loss	-	29.22	29.22	-	29.22
Property, plant and equipment.	-	(1.50)	(1.5)	-	(1.50)
Tax assets (Liabilities)	**-**	**27.72**	**27.72**	**-**	**27.72**

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 29: Capital Management

The Company’s policy is to maintain a strong capital base so as to maintain investor, creditor and other stake holder and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using a ratio of ‘adjusted net debt’ to ‘equity’. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Company’s adjusted net debt to equity ratio at March 31, 2019 was as follows:

(Rs. in lakh)

	As at March 31, 2019	As at March 31, 2018
Total Borrowings	1,764.08	783.70
Less : Cash and cash equivalent	7.29	3.91
Adjusted net debt	**1,756.79**	**779.79**
Equity	**197.10**	**382.30**
Adjusted net debt to equity ratio	**8.91**	**2.04**

Note 30 : Leases

Operating Lease:

The Company’s leasing arrangements are in respect of operating leases for premises occupied by the Company. These leasing arrangements are renewable on a periodic basis by mutual consent on mutually acceptable terms.

a. The total of future minimum lease payments under non-cancellable operating leases for each of the following periods :

Particulars	March 31,2019	March 31,2018
Future lease commitments		
- Within one year	11.86	14.85
- Later than one year and not later than five years	44.53	37.73
- Later than five years	289.84	109.98

b. Lease payments recognised in the Statement of Profit & Loss for the year :

Particulars	March 31,2019	March 31,2018
Minimum lease payments	19.25	12.85

Note 31: Commitments

(Rs. in lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated value of contracts remaining to be executed on capital account (net of Advances), to the extent not provided for.	-	918.00

Note 32: Preferential Issue Utilistation

The Company had made a Preferential Issue of 1,81,818 (previous year 3,21,225) equity shares of face value Rs.10 each fully paid up for cash at a price of Rs. 165/- per equity share (including a share premium of Rs. 155/- per share) aggregating Rs. 300.00 Lakh. The aforementioned 1,81,818 (previous year 3,21,225) equity shares were allotted on March 30th, 2019. The net proceeds from the issue of the above mentioned equity shares were used for expanstion of business operations.

Note 33: Balance confirmation

Current Assets, Loans and Advances, Deposits and Sundry Creditors are subject to confirmation / reconciliation and consequential adjustments, if any.

Note No. 34: Related Party Disclosures

In compliance with Ind AS 24 - “Related Party Disclosures”, as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, the required disclosures are given below:

(a)	**(i)**	**Key Management Personnel**	Burjis Nadir Godrej - Director (w.e.f. 27th August, 2018)
			S. Varadaraj - Director
			Sandeep Kumar Singh - Director (w.e.f. 27th August, 2018)
			Saar Yavin - Director
			Adaya Aroyo - Director
(b)	**(i)**	**Holding companies**	Godrej Agrovet Limited (Parent company)
			Godrej Industries Limited (Holding company)
	(ii)	**Fellow Subsidiary Companies (w.e.f. 27th March, 2019)**	Astec LifeSciences Limited
			Creamline Dairy Products Limited
			Godrej Tyson Foods Limited
			Godvet Agrochem Limited.
	(iii)	**Other Related Parties**	Godrej & Boyce Manufacturing Company Limited
			Godrej Consumer Products Limited
			Godrej Seeds & Genetics Limited
			Godrej Infotech Limited
			Anamudi Real Estates LLP
			Godrej Tyson Foods Limited (upto 26th March, 2019)
			ACI Godrej Agrovet Private Limited, Bangladesh
			Omnivore India Capital Trust
			Al Rahba International Trading Limited Liability Company, United Arab Emirates (UAE)
			Godrej Properties Ltd.
			Godrej One Premises Management Private Limited
			Godrej Vikhroli Properties India Limited
			Natures Basket Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 34: Related Party Disclosures Rs. Lakh

The following transactions were carried out with the related parties in the ordinary course of business :

Sr. No.	**Nature of Transactions**	Holding **Companies (i)**	**Other related Parties (ii)**
1	Issue of Share Capital	300.00	-
		-	-
2	Purchase	-	142.89
		-	23.16
3	Sales	-	3.38
		-	-
4	Interest Expense on Inter Corporate deposit	-	76.56
		-	15.24
5	Inter Corporate Deposit Taken	-	1,054.38
		-	783.70
6	Inter Corporate Deposit returned	-	1,674.00
		-	-
7	Expenses Charged/Reimbursed by Other Companies	-	254.70
		-	159.37
8	Acquisition of Property, plant and equipment	-	4.57
		-	-
9	Inter Corporate Deposit Outstanding	164.08	-
		-	783.70
10	Outstanding Receivable	-	0.09
		-	-
11	Outstanding Payables	917.40	-
		-	230.73
12	Details relating to persons referred to in items (a) (1)		
	Remuneration to key management personnel	As at March 31, 2019	As at March 31, 2018
a)	Salary and short term employee benefit	79.89	-
b)	Post employee gratuity & medical benefits	1.54	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Significant Related Party Transactions :			Rs. Lakh
Sr. No.	**Nature of Transaction**	**Current year**	**Previous Year**
1	Issue of Share Capital		
	Godrej Agrovet Limited	300.00	-
2	Purchases		
	Godrej Agrovet Limited	142.89	23.16
3	Sales		
	Godrej Agrovet Limited	3.38	-
4	Interest Expense on Inter Corporate deposit		
	Godrej Agrovet Limited	76.56	15.24
5	Inter Corporate Deposit Taken		
	Godrej Agrovet Limited	1,054.38	783.70
6	Inter Corporate Deposit Returned		
	Godrej Agrovet Limited	1,674.00	-
7	Expenses Charged/Reimbursed by Other Companies		
	Godrej Agrovet Limited	254.70	159.37
8	Acquisition of Property, plant and equipment		
	Godrej & Boyce Manufacturing Company Limited	4.57	-
9	Inter Corporate Deposit Outstanding		
	Godrej Agrovet Limited	164.08	783.70
10	Outstanding Receivable		
	Godrej & Boyce Manufacturing Company Limited	0.09	-
11	Outstanding Payables		
	Godrej Agrovet Limited	917.40	230.73

Note 35: Comparative Accounts for the Previous Year

Figures of the previous year have been regrouped & re-classified wherever necessary to conform to the current year's classification.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General information

Godrej Maxximilk Private Limited ("the Company") is a private limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at 3rd Floor, Godrej One, Pirojshanagar, Vikhroli (East), Mumbai – 400 079. The Company was incorporated on May 4, 2016 under the companies Act, 2013. The Company is an agribusiness company and its principal activities include Dairy Farm activities and Developing high breed Cattles.

2. Basis of preparation

(i) Compliance with Ind AS:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

The financial statements of the Company for year ended 31st March 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 4th May 2019.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that are measured at fair value.

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer accounting policy regarding financial instruments)
- asset held for sale and biological Assets – measured at fair value less cost to sell; and
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and

(iii) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

3. Key estimates and assumptions

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgement, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

  Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- **Discounting of long-term financial assets / liabilities**

  All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- **Determining whether an arrangement contains a lease**

  At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

  At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. And in case of operating lease, treat all payments under the arrangement as lease payments

- **Fair value of financial instruments**

  Derivatives are carried at fair value. Derivatives include foreign currency forward contracts, commodity futures and interest rate swaps. Fair value of foreign currency forward contracts is determined using the fair value reports provided by respective bankers. Fair value of interest rate swaps is determined with respect to current market rate of interest.

- **Biological Assets**

  Management uses inputs relating to production and market prices in determining the fair value biological assets.

4. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5. Standards issued but not yet effective

a. <u>Ind AS 116, Leases</u>

Ind AS 116 is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company is in the process of analysing the impact of new lease standard on its financial statements.

The Company is proposing to use the "Modified Retrospective Approach" for transitioning to Ind AS 116. Accordingly, comparatives for the year ended 31st March 2019 will not be retrospectively adjusted.

6. Significant accounting policies

A. Revenue

i. <u>Sale of goods</u>

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii. <u>Interest income</u>

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the statement of profit or loss.

B. Foreign Currency

<u>Transactions and balances</u>

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Exchange differences are generally recognised in profit or loss.

C. Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company has a scheme of Performance Linked Variable Remuneration (PLVR) which rewards its employees based on either Economic Value Added (EVA) or Profit before tax (PBT). The PLVR amount is related to actual improvement made in either EVA or PBT over the previous year when compared with expected improvements.

Short-term benefits such as salaries, wages, short-term compensation absences, etc., are determined on an undiscounted basis and recognized in the period in which the employee renders the related service.

ii. Defined contribution plans

Obligations for contributions to defined contribution plans such as Provident Fund and Family pension maintained with Regional Provident Fund Office are expensed as the related service is provided.

iii. Defined benefit plans

The following post - employment benefit plans are covered under the defined benefit plans:

- Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trust administered by the Company.

  The Company's contribution to the Provident Fund Trust as established by the Company, is also considered as a Defined Benefit Plan because, as per the rules of Company's Provident Fund Scheme, 1952, if the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. The Company's net obligations in respect of such plans is calculated by estimating the amount of future benefit that the employees have earned in return for their services and the current and prior periods that benefit is discounted to determine its present value and the fair value of the plan asset is deducted.

  The Company’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Gratuity Fund

  The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

  Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (OCI). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

iv. Other long-term employee benefits

Liability toward Long-term Compensated Absences is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss.

v. Terminal Benefits:

All terminal benefits are recognized as an expense in the period in which they are incurred.

D. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in net profit in the statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. **Current tax**

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

E. Inventories

Inventories are carried in the balance sheet as follows:

(a) Raw materials, Packing materials, Stock in Trade and Stores & Spares: At lower of cost, on weighted average basis and net realisable value.

(b) Work-in-progress-Manufacturing: At lower of cost of materials, plus appropriate production overheads and net realisable value.

(c) Finished Goods-Manufacturing: At lower of cost of materials, plus appropriate production overheads and net realisable value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to the present location and condition. Slow and non-moving material, obsolescence, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

F. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation/ Amortizations

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. Depreciation on additions / deductions is calculated on pro rata basis from/up to the month of additions/deductions. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

(a) Plant and Machinery: - 20 Years

(b) Computer Hardware: Depreciated over its estimated useful life of 4 years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(c) Leasehold Land: Amortized over the primary lease period.

(d) Leasehold improvements and equipments: Amortised over the Primary lease period.

Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase/acquisition.

G. Borrowing costs

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

H. 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 instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Derivatives are currently recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

i. Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Where assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognized in Other Comprehensive Income (i.e. fair value through other comprehensive income), where permissible.

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

  Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

  Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Initial recognition & measurement

At initial recognition, the Company measures a financial asset at fair value plus, in the case of a financial asset not recorded at fair value through the Statement of Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

  When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. **Financial liabilities**

Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through the Statement of Profit and Loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

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

I. Provisions and contingent liabilities

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

J. Leases

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

i. Lease payments

Payments made under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

ii. Lease assets

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

K. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

L. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

M. Earnings Per Share ("EPS")

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

N. Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognized in the Statement of Profit and Loss.